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NEWS SUMMARY

ERAL... Faulkner... Tin rises £132.5 to new record

... was 56 and had taken his... in the House of Lords only... Lord Faulkner... August that he... giving up politics after 27... A Protestant middle-of... who recognised that his... the Unionist Party was... ing isolated.

... established his... during 1963-69 when... over Northern... an industrial boom as... Minister. Later, he... the attempt to create... community, a... made in tributes by Mr... the SDLP leader and... William Whitelaw, Obituary...

... anese siege... quietly... young ultra-Right-wingers... arrested early to-day after... two hostages for more... hours at the Tokyo offices... Federation of Economic... sations. The four gave in... violence after police... and that they would be... a Samurai (warrior)... ouths had hoped to take... federation president as... but he was away on a... ss. trip. Earlier story...

... rship blaze... three... Ministry of Defence said... three men were killed in... er room fire aboard HMS... U. a Navy "Fishal" class... in the Bristol Channel... ship was returning to... port when the fire broke... out amid rain on Sunday... The fire started in the... of the ship's main deck... ed to port under her own... power.

... ster wins... with Africa's first formal... public opinion since last... black township riots. Mr... Vorster's National Party... ed as the... undoubted... in the Transvaal... with a Cape by... The anti-apartheid... Reform Party won... at the expense of the... vative United Party.

... v polio case... year-old boy living in... in South London, has been... oed as a polio case. A... year-old Wigan boy has... in a Manchester hospital... olo since last week. Both... are believed to be from... ing gipsy families.

... oys in crash... young Israeli embassy... s were killed and two... whom their car was in... n with a lorry near... nwn. Argyllshire, after... a Nato refuelling base... small embassy said the... were "personnel attached... defence attaché's office... were engaged on a training... y denied that the mission... y Nato connection.

Jack Jones urges new price freeze backed by law

BY ALAN PIKE, LABOUR STAFF

A legally-enforced freeze on virtually all prices including fuel costs and fares was demanded by Mr. Jack Jones, Transport and General Workers Union general secretary, and the union's executive yesterday.

The proposed freeze would apply in both the private and public sector, to the latter case even to the point of financial targets being abandoned. On food prices, the union is urging four particular priorities: 1-No deviation of the "green pound"; 2-No increases in EEC institutional prices for commodities where intervention has taken place and a cut in the intervention prices for dairy products; 3-Major reform of the Common Agricultural Policy to allow long-term access to supplies of commodities which can be produced more cheaply elsewhere; 4-Continuation of food subsidies.

These profit margins were large enough to allow a fall in some prices, and such reductions were essential if inflation was to be successfully combated. The union particularly accuses some exporting companies of making large profits which have not been passed on to consumers through lower prices, and sees a role for shop stewards and officials in negotiating price reductions in companies with large profit margins. TGWU demands for the price freeze stem from the executive's view that controls under the Price Code have been "ineffective" during the past two years.

Row as Tory publicly leaks NEDC housing report... A POLITICAL ROW erupted over a National Economic Development Council paper on housing policy yesterday when it was publicly leaked to the Press by Mr. Hugh Rossi, the Opposition front-bench spokesman on housing.

The 185-page document, the result of 18 months' work by a housing strategy committee, suggests that a large majority of people would like to own their own homes. It also shows that on a 60-year projection a new council house would cost three times as much in subsidy as an individual buying a similar house with the help of a mortgage.

EEC officials in London probe newsprint cartel allegations... INVESTIGATORS from the end Scandinavian newsprint suppliers within a few days of each other. Moreover, the terms of the price increases, including detailed currency clauses, were all closely similar. The newsprint users said that at least the currency clauses should have been different because of the different movement of the pound against the dollar and the Swedish krona.

... The EEC officials were led by Dr. Carmelo Morello from the Commission's inspection department. They were accompanied by a representative of the U.K. Office of Fair Trading who went as an observer. The Commission appears to have started investigations into a possible cartel among newsprint suppliers as a result of protests made by U.K. newsprint users after the last round of price increases of 240 a tonne was announced by all the Canadian

Booth extends job schemes

By Ivor Owen, Parliamentary Staff

SPECIAL training measures and other schemes aimed at easing unemployment among young people are to be extended, Mr. Albert Booth, Employment Secretary, said in the Commons yesterday.

There was a general welcome for the decision that the youth employment subsidy, the work experience programme and the job creation programme were to be extended in August 31, 1977. Mr. Booth attaches special significance to the fact that, despite the world recession, apprentice and other training is still sustained at a high level. He said that the additional commitment would support about 41,500 training places.

Training courses for young people under the training opportunities scheme will also be increased by 5,000, raising the total to 17,000 places this year. A number of MPs expect the Government in the near future to extend the temporary employment subsidy due to end in April. It is estimated to be protecting 200,000 jobs.

The TUC welcomed Mr. Booth's announcement, but said that the measures could not solve the country's unemployment problems. For this Britain needed "quick action by the Chancellor along the lines set out in the TUC's economic review - action to stimulate the economy and promote the growth of British industry." The TUC added: "More generally, we look to the Government to take decisions quickly to extend the temporary employment subsidy and introduce a new job expansion subsidy."

Parliament Page 12

Borrowing well below forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A PUBLIC sector borrowing requirement in the current financial year of at least £1.5bn. less than forecast by the Government only three months ago is suggested by fourth quarter figures announced yesterday.

This is bound to reinforce the widespread market estimates that the borrowing requirement in 1977-78 will also be well within the ceiling of the IMF letter of intent, opening the way for sizeable cuts in income tax. But at present it looks unlikely that the revision in the projection for 1977-78 will be as large as the possible undershooting of the forecast this financial year.

The decline in the borrowing requirement below previous estimates reflects the boost to revenue from faster than anticipated inflation, commonly known as fiscal drag, coupled with the restraint on spending applied by cash limits fixed a year ago. Will these trends, as well as lower debt interest, provide a favourable base for the 1977-78 projections, the figures cannot be automatically carried forward. A lot will depend on the inflation assumptions and the pattern of borrowing outside central Government.

Moreover, the major changes to the forecasts during the last year, combined with the inevitable margin of error of £1bn. either side before the start of the financial year, may take the authorities cautious. They may be reluctant to take advantage of too large a revision in the 1977-78 projections at this stage in making income-tax cuts. Estimates from the CBI and TUC, as well as in the City, suggest a PSBR in 1977-78 of at least £1bn. less than the £2.7bn. ceiling in the IMF letter of intent. If the Treasury figure is near this level, the margin would be insufficient to make income-tax cuts of the size widely demanded and on a scale sufficient to compensate for inflation over the past year.

Consequently there might have to be some offsetting increase in indirect tax and Mr. Denis Healey, the Chancellor of the Exchequer, has been saying recently that value added tax

Two essential guides to Property Portfolio Valuations. VALUATION OF FIXED ASSETS UNDER CURRENT COST ACCOUNTING. JONES LANG WOOTTON

Hydro... COLUMN... Source... financial... 0.2 to 410.6... Standard... Financial... 100-225,000...

Table with 2 columns: Item, Price Change. Includes Royal Insurance, Sun Alliance, Trust Houses Forte, etc.

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LOMBARD

How not to split the Treasury

BY ANTHONY HARRIS

THE SUDDEN outburst of proposals to split the public spending control division from the Treasury and amalgamate it with the Civil Service Department is decidedly odd. Remembering the economic record of its two best-known exponents, Mr. Edward Heath and Sir Harold Wilson, only makes it odder. The experienced nostril twitches.

Time-honoured

Easily the silliest, one might have thought is the notion of breaking the time-honoured rule that expenditure and revenue are two sides of the same coin, and must be a shared responsibility. While one Parliamentary Committee is still struggling to persuade the Treasury to spend and revenue in the same White Paper, other parliamentarians want to make it harder.

virtually nothing visible looks simply mad. The fact that the proposed change is silly is not, however, an argument for leaving everything as it is. On the contrary, one possible argument for the change is to make the CSD itself a little more effective. However, I suspect that the trouble here is not that the CSD is not responsible for setting spending totals, but simply that it is run by civil servants, and has a fairly junior Minister in charge.

Productive

The reformers may hope that enlarged responsibilities would be brought in a political heavy-weight, bring the CSD to heel. But the CSD's success is not so much a matter of strategy as of unremitting and hostile attention to detail, and to inspire such a war on bureaucracy is more than can be left to a single Minister, even a notorious political thug, working with a team of pressed men and potential fifth columnists. The radical answer would surely be to have of the CSD from the civil service itself, and have it run by businessmen.

NORTH SEA OIL REVIEW

BNOC and the Thistle Field

THE NORTH SEA's newest offshore operator, the British National Oil Corporation, has emerged from the fifth round of exploration and production licences in a stronger position than even Mr. Anthony Wedgwood Benn, Energy Secretary, has claimed.

For the Corporation will be the operator no less than six of the new licences and not the four announced by Mr. Benn a few weeks ago. Only British Petroleum will have a bigger commitment.

It was known that BNOC would be operating on blocks 3/24b (with BP), 9/14b (with Hamilton Brothers), 13/14 (with the Kerr-McGee group) and 30/17b (with Shell/Esso). But now it has been confirmed that the Corporation will also be in the driving seat on the Moray Firth concessions 14/16 and 14/17.

The concessions, close to Occidental's Claymore Field, are among the most attractive to be offered in the fifth round. The co-licences are Tricentral North Sea, Home Oil, Canadian Industrial Gas, Charter Consolidated and Charterhouse Petroleum Development.

It is understood that the group agreed early during the bid stage that BNOC should assume operatorship using the expertise of the team in BODL which discovered and is now developing the Thistle Field. This is a point made in a letter to Tricentral's shareholders, a document relating to the company's proposed acquisition of Ashmole Investment Trust.

All this means that BNOC, through its equity stake and State participation arrangements, has gained a sizeable shareholding in the Thistle Field and the Licence Group as a whole. The accompanying table gives a breakdown of the interests as they stand at present although they could well change again. The portion of the Thistle Field lying in the Conoco/Gulf/NCB block 21/19 could be reassessed in the light of further drilling information, for example. And there has

been talk within the industry in recent months of a possible farm-in/farm-out arrangement in block 21/18.

Whatever the outcome of these talks, one thing is certain: BODL has the task of developing one of the most complex fields in the most northerly waters of the U.K. designated area. As a leading petroleum engineer commented yesterday: "It will be a useful way of proving the British National Oil Corporation's mettle."

A number of development problems have already become apparent although none of them are on a scale to warrant undue

concern. Nevertheless, taken together they could put the start-up of the field back to next year, or even early next year, rather than the target month of October being mentioned in the industry a few months ago. (Back in 1974, when the platform was ordered, licensees were tentatively talking about production starting by May 1.)

As on Occidental's Piper field, the piling operation is proving most troublesome. Even without the delays, it was intended that Thistle would

be brought on stream this coming winter in a muted fashion, with output being increased much faster in the spring. Initially oil will be transported by tankers which will load at a single point mooring system.

This facility was chosen as a contingency in case there were any delays in the main transport system — pipeline transmission via the Dunlin and Cormorant platforms to the Brent system terminal in the Shetland Islands. It was a wise move on the part of the Halibut Group. For it now seems unlikely that the Sullom Voe terminal in the

Shetlands will be ready any crude oil before the quarter next year.

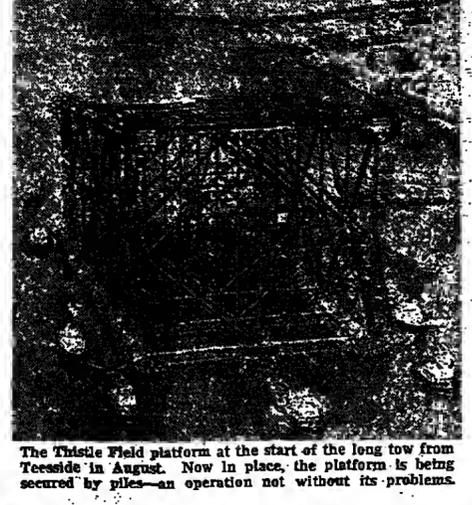
Latest estimates put the Thistle development programme at about \$50m. more than a year ago, independent of

For this outlay the should yield some 50m of recoverable reserves, peak rate of perhaps 600 barrels a day. But these are still the subject of able doubt and speculation. Even without the delays, it was intended that Thistle would

These funds present but Group with a thin lein. For later this the licensee arrangements are due to 50 per cent of the cost. Trying to find such an even a company's operations devoid of oil revenue is impossible. (Only drilling programme identify non-producing areas.) So there is possibility that the licensee could roll back reserves which might technology and arrangements be in future years.

Three possibilities. The Government's relinquishment of the oil reserves in the sector of block 21/19, north and east of the one in the north west of the concession.

Table titled 'COMPLEXITY OF THE THISTLE FIELD SHAREHOLDING' showing interest in 21/18 Thistle Licence Group and 21/19 Thistle Licence Group.



The Thistle Field platform at the start of the long tow to Teesside in August. Now in place, the platform is being secured by piles—an operation not without its problems.

TV Radio

- BBC 1: 6.40 a.m. Open University (UHF only). 9.30 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Fehle Mill. 1.45 p.m. News. 2.02 For Schools, Colleges. 2.30 Ar Glawr. 3.53 Regional News (except London). 3.55 Play School. 4.20 Roobarb. 4.25 Jackanory. 4.40 Lippy Lion and his Friends. 4.55 Crackerjack. 5.35 Paddington. 5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide. 6.30 Sportswide.

F.T. CROSSWORD PUZZLE No. 3321

Crossword puzzle grid with numbers 1-28 indicating starting positions for clues.

- ACROSS: 1 One article allowed to appear in another jumper? (7). 5 Short letter and a note from ancestry? (7). 9 Slow movement in regular groups? (5). 11 Pleased to put illumination in the act? (9). 12 Get crime ring confused by using simple figures? (9). 13 Continuity of state voice? (5). 14 Initiative needed to take a plunge when river is missing? (5). 15 Begun to spout after accepting one drink? (9). 18 Hurried after Conservative and was punished? (9). 19 Feared losing leader and hepped? (5). 21 Timorous like a writer? (5). 23 Old port—or is it shrewd spirit? (9). 25 Satisfied to be home within the mainland? (9). 26 Doctrine of Oriental under canvas? (5). 27 Authorise to break silence? (7). 28 Passed judgment on some French belief? (7).

LONDON

- 9.30 a.m. Schools Programmes. 12.00 Kathy's Quiz. 12.15 p.m. Pickings. 1.30 p.m. Sound Like Pickings. 1.50 News plus FT Index. 1.50 To-day's Post. 1.59 About Britain: Weir's Way. 2.00 Newsy Go-Round Good Afternoon. 2.30 Friday Matinee: "Message to My Daughter". 3.50 The Cedar Tree. 4.15 Dominic. 4.45 Magpie. 5.15 University Challenge. 6.45 News.

BBC 2

- 6.40 a.m. Open University. 11.00 Play School. 1.30 p.m. Open University. 7.00 News on Headlines. 7.45 Inside Out. 7.50 Newsday. 8.00 Gardener's World. 8.30 The Money Programme: Eurocurrency. 9.00 Fort Black 77. 9.25 Horizon. 10.20 The Roads to Freedom. 11.05 Late News on 2. 11.15 Ser. Education in the 1970s. 11.40 Closedown: Lyndon Brook reads "To-night" by Iain Crichton Smith.

RADIO 1

- 6.30 a.m. As Radio 2. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 4.00 News. 4.15 News. 4.30 News. 4.45 News. 5.00 News. 5.15 News. 5.30 News. 5.45 News. 6.00 News. 6.15 News. 6.30 News. 6.45 News. 7.00 News. 7.15 News. 7.30 News. 7.45 News. 8.00 News. 8.15 News. 8.30 News. 8.45 News. 9.00 News. 9.15 News. 9.30 News. 9.45 News. 10.00 News. 10.15 News. 10.30 News. 10.45 News. 11.00 News. 11.15 News. 11.30 News. 11.45 News. 12.00 News. 12.15 News. 12.30 News. 12.45 News. 1.00 News. 1.15 News. 1.30 News. 1.45 News. 2.00 News. 2.15 News. 2.30 News. 2.45 News. 3.00 News. 3.15 News. 3.30 News. 3.45 News. 4.00 News. 4.15 News. 4.30 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EUROPEAN NEWS

OECD pessimistic on French growth

BY DAVID CURRY

THE FRENCH Government's economic policy designed to reduce inflation has received the endorsement of the OECD...

per cent growth in hourly wages is raised to 12 1/2 per cent by the OECD while the increase in purchasing power is adjusted from 2 to 3 1/2 per cent.

Provided the Government can stick to its 7 1/2 per cent ceiling for imports of crude oil, the OECD expects the current trade deficit to improve from a \$8bn short-fall in 1976 to a \$3.8bn short-fall. This is based on the expectation of a 6 per cent growth in import volume and 7 1/2 per cent improvement in export volume...

When it comes to making specific policy recommendations the Organisation concentrates on exhorting the Government to persist in its austerity measures and to combine these with 'more thorough-going reforms' and demand management policies to achieve a durable control of inflation.

Barre tells Ministers to cease poll infighting

BY DAVID CURRY

PARIS, March 3.

M. RAYMOND BARRE, the French Prime Minister, has told members of his Government to concentrate on attacking the Left rather than each other. Ministers are free to support candidates of their own party in the municipal elections this month, but should not take issue with competing candidates also drawn from the ruling coalition.

Ornano, rather than a Gaullist, for mayor of Paris. M. Chirac, since his re-launching of the Gaullists in more popular form at the end of last year, has progressively raised the tempo of his attacks on the Government in a bid to portray himself as the only conservative politician who can prevent the Left from winning power in the 1978 elections.

Tindemans' problems increase

BY DAVID BUCHAN

THE POSSIBILITY of an early Belgian general election increased today as it became clear that the ruling coalition of Prime Minister Leo Tindemans faces both the prospect of losing its Parliamentary majority by the week-end and the continuation of trade union protests to-morrow with a national bus and tram stoppage and generalised strikes in two provinces.

Eurocommunists stress respect for democracy

BY ROGER MATTHEWS

MADRID, March 3.

THE COMMUNIST Party leaders of Spain, France and Italy concluded their two-day summit meeting here this afternoon without making any specific statement in support of dissent in the Soviet Union but repeatedly emphasised their desire to achieve socialism through respect for democracy and individual liberties.

Soviet fake bases fool satellites, says Stern

By Nicholas Colchester

THE SOVIET Union has built numerous mock-up airfields and fake military installations near the Chinese frontier to deceive U.S. reconnaissance satellites, it is alleged in a West German weekly magazine Stern. The magazine claims to have had access to the interrogation protocols of Viktor Belenko, the Soviet pilot who defected with a MiG-25 jet fighter to Japan in September.

Owen gives strong support to Carter human rights stand

BY MARGARET VAN HATTEM

DR. DAVID OWEN, the British Secretary of State for Foreign Affairs, has given strong support to President Jimmy Carter's human rights policy. 'Britain will take a stand on human rights' in every corner of the globe, he told a London meeting of the Diplomatic and Commonwealth Writers Association on Foreign Secretary Owen said. 'We will not discriminate, we will apply the same standards and judgments to Communist countries as we do to Chile, Uganda and South Africa.'

Soviet-U.S. relations unharmed

BY DAVID SATTER

MOSCOW, March 3.

PRESIDENT CARTER'S defence of Soviet dissidents has drawn an angry response from the Soviet Press but so far has neither visibly harmed bilateral relations in Moscow nor persuaded their crackdown on the dissidents. The Press has attempted to answer the unfavourable publicity in the West with repeated charges of human rights violation to the United States, Britain and other Western countries.

W. German workless

BY OUR OWN CORRESPONDENT

BONN, March 3.

THERE WAS AN unexpectedly large fall in West Germany's unemployment in February. The Federal Labour Office reported today that the unemployment rate had dropped to 5.3 per cent for 1.5 million workers at the end of the month compared with 5.5 per cent a month earlier.

Midland Bank will be taking care of business at the Leipzig Spring Trade Fair March 13-20.



Mr. G. B. Grattan-Guinness, Group Representative in Frankfurt, Midland Bank Group Representative Office, Niedena 61-68, D-6000 Frankfurt (Main), West Germany. Tel: 72 57 43.

As we are a participant in European Banks International (EBIC), composed of 7 great independent European Banks, you'd expect us to be there for an event of such importance. Bryan Grattan-Guinness, our Group representative from Frankfurt, will be there from March 13-17 to help ensure your trip is a profitable one. There will also be an EBIC representative on hand for the entire Fair.

Midland Bank International, Midland Bank Limited, International Division, 80 Gracechurch Street, London EC3P 3BN.

REFERENDUM IN SWITZERLAND Reviving the alien exodus call

BY JOHN WICKS IN ZURICH

FOR THE third time since 1970, the Swiss voter this month will have a chance to turn hundreds of thousands of foreigners out of the country. On March 13 the Swiss Republic will hold a referendum on a proposal to limit the number of resident foreigners to 4,000 a year and to allow referenda on treaties with foreign countries.

It seems certain that the March 13 Republican motion will fail, even though the proposed constitutional amendment includes potentially attractive elements, such as an obligatory lay-off of foreigners before Swiss in case of redundancy measures and a steering of foreign workers into unpopular service occupations. A poll taken by the weekly paper Weltwoche indicated 80 per cent opposition to the latest Schwarzenbach initiative.

Waning But just as the Switzerland for-the-Swiss movement was beginning to look dangerous, underneath it was already starting to wane. The Government, which had been limiting the entry of foreign workers since 1963—albeit with little real effect—introduced a series of increasingly tight restrictions in and after 1970, not least in view of the growing pressure from the electorate. Between 1970 and 1974 the foreign population rose by only 6.5 per cent and in 1975 the Republicans and Nationale Aktions Union won only six National Council seats.

Sealed All in all, the foreigner problem seems to be solved without the aid of any constitutional restrictions, though there are large numbers of foreign workers in some parts of the country. Over 25,000 foreigners would have to get out annually. Over and above the splitting of the labour market into Swiss jobs and foreigners' jobs and the general invidious position in which foreigners of all categories would be placed, Switzerland would also be forced to contravene a whole range of international agreements, including the European Human Rights Convention and the European Free Trade Area and Organisation for Economic Co-operation and Development treaties.

Authors' note: This article is based on a report by the author, published in the Swiss newspaper 'NZZ' on 28.2.78. The author is grateful to the Swiss authorities for their cooperation.

OVERSEAS NEWS

Opposition ponders lesson of S. Africa poll defeat

BY QUENTIN PEEL

JOHANNESBURG, March 3.

LEADERS OF the South African white Opposition parties today ordered a reassessment of their political strategy in the wake of elections which revealed a continuing swing in popular support towards the ruling National Party (NP) of Prime Minister John Vorster.

Rhodesia land Bill vote is delayed

By LESLIE COLLITT

SALISBURY, March 3.

PRIME MINISTER Ian Smith's crucial parliamentary test over his moves to reduce racial discrimination in Rhodesia appeared to have been delayed today.

WORLD TRADE NEWS

Record trade between East and W. Germany last year

BY LESLIE COLLITT

BERLIN, March 3.

TRADE BETWEEN East and West Germany rose 13 per cent last year to a total of DM8.4bn. (some £2bn.), one of the highest growth rates in years.

Korea \$365m loan from Britain

BRITAIN AND South Korea have entered a three-day meeting in Seoul with a view to giving consideration to a \$365m loan for substantial investment officials said.

South Korea, the United Kingdom's largest trading partner in loans guaranteed by the Export Credit Guarantee Department to help finance industrial projects, is the country's fourth largest economic partner (1977-1981).

Keidanren officials held hostage

BY OUR OWN CORRESPONDENT

TOKYO, March 3.

FOUR YOUNG would-be Samurai armed with ritual swords and at least one rifle stormed into the central Tokyo headquarters of the Federation of Economic Organisations (Keidanren) this afternoon.

Higher E. European suit prices

FINANCIAL TIMES REPORTER

PRICES of suits imported into the U.K. from Eastern Europe are to be increased, following a five-month investigation carried out by the British Government into dumping allegations by British clothing manufacturers.

Optimism motor part sales to U.S.

DETROIT, Mich.

BRITISH automotive plants industry expects U.S. sales this year will be well over £200m.

Djibouti to be independent of France by July

By David Curry

Afro-Arab summit aims for mutual aid pact

BY ANTHONY McDERMOTT

PARIS, March 3. FRANCE will announce its retreat from colonial empire by the end of June. A conference in Paris has agreed that a referendum on the independence of the Territory of the Afars and the Issas (Djibouti) on the African shore of the mouth of the Red Sea, opposite Yemen, will be held on April 24.

IN PREPARATION for the first Afro-Arab summit conference, which opens on Monday, many of the Foreign Ministers of the 90 nations involved met in Cairo yesterday.

Hunger strike by Arabs in Israeli jail

By David Egli

GENEVA, March 3.

A PROCEDURAL stalemate has developed here between the U.S. and three countries of the European Community on GATT panel findings concerning American domestic international sales corporation (DISC) legislation and certain tax practices of France, Belgium and the Netherlands.

Stalemate on DISCS

By David Egli

GENEVA, March 3.

A PROCEDURAL stalemate has developed here between the U.S. and three countries of the European Community on GATT panel findings concerning American domestic international sales corporation (DISC) legislation and certain tax practices of France, Belgium and the Netherlands.

\$22m. gas turbine orders

By K. K. Sharma

NEW DELHI, March 3.

John Brown Engineering gas turbines yesterday announced orders worth \$22m. to customers in Canada, Venezuela, the Middle East and Britain.

Drop in Swedish pulp production

SWEDISH pulp production declined last year by 4 per cent to 4m. tonnes, the Swedish Paper Association says.

But the total production including composite requirements for paper production rose 8.3m. tonnes, a slight increase in the total was still very pared with 1974.

Libya changes its style

BEIRUT, March 3.

THE LIBYAN Arab Republic will henceforth be known as the People's Socialist Libyan Republic, it was announced in Tripoli last night.

Uganda Americans

President Amin has announced that a count by his officials shows there are only 100 Americans in Uganda, including 18 working for Uganda Airlines.

Israel jobless

Unemployment in Israel rose to 3.8 per cent in the second half of 1977, a 25 per cent increase on the first half of the year, our Tel Aviv correspondent reports.

W. GERMAN EXPORT DIPLOMACY

A successful national pastime

BY NICHOLAS COLCHESTER IN BONN

WHEN THE British Prime Minister last came to Bonn, in the German Government's trade promotion spending are the overseas chambers of commerce, which is partly subsidised to the tune of DM10m. a year, and the Federal Office for Foreign Trade Information—a subsidiary of the Economics Ministry which also costs DM10m.

\$40m. Iran deal signed by India

By K. K. Sharma

NEW DELHI, March 3.

Kamani Engineering Corporation, a private Indian company, has won a \$40m. turnkey contract from Iran's state electricity generation company.

THE OPPOSITION IN PAKISTAN

The Air Marshal raises the stakes

BY DAVID HOUSEGO IN KARACHI

IF MR. BHUTTO, the Prime Minister of Pakistan, has taken an unexpected mauling during the current election campaign, it has been largely due to the subtlety of the attack mounted on him by a man he has long dismissed as "of no consequence" and "not worth bothering about."

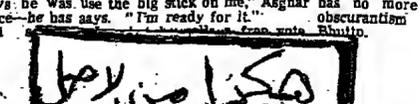
Asghar Khan has introduced an ominous note into the campaign by threatening to put Mr. Bhutto on trial, should the opposition win.

BY DAVID HOUSEGO IN KARACHI

THE man is a rat. He has no success, gave Mr. Bhutto his first moral, no ethics, he does not hint that calling the election believe in democracy. He is an out and out Fascist.

Asghar Khan has introduced into the campaign by threatening to put Mr. Bhutto on trial, should the opposition win.

Asghar Khan has introduced into the campaign by threatening to put Mr. Bhutto on trial, should the opposition win.



HOME NEWS

Drought subsidence claims could cost £60m.

BY ERIC SHORT

ATMS FOR subsidence damage caused by the drying out of the soil under buildings during the year's long dry summer...

which in some cases may mean going down several feet before a firm base can be secured.

Specialists

This is work for specialist consultants and contractors, so it is not surprising that the size of each claim is large—about £3,000-£4,000.

Broader Scottish policy urged

By Ray Ferman, Scottish Correspondent

AN ECONOMIC strategy for Scotland based on the needs of individual industries rather than on the broad approach adopted by previous governments is called for in a document published yesterday by the Labour Party.

Experience at the U.K. level has shown how important a move towards greater realism in industrial policy: nothing can be achieved by continuing to analyse industrial developments on the basis of the broad macro-economic abstractions of industry that have been relied on during the post-war period.

The document will form the basis of the economic debate at next week's Scottish Labour Party conference. It is unusual in Labour Party thinking since it not only acknowledges the continuation of a mixed economy, but calls for a strong and positive commitment to the private sector.

U.K. 'should press ahead with fast breeder reactor'

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN SHOULD press ahead immediately with the first commercial-size fast breeder reactor, the Royal Society says in a critique of U.K. energy research thinking released yesterday.

The conclusion was reached by a group of 13 Fellows of the Royal Society under the chairmanship of Prof. Sir Harrie Massey, of University College, London.

2—More independent study is required into the problems of recovering larger fractions from the offshore oil fields discovered.

Cigarette producers cut tar content

Financial Times Reporter

THE AVERAGE tar content of cigarettes sold in the U.K. has been almost halved in the 10 years to 1975, and the nicotine content has gone down by more than a third, according to the latest figures from the Tobacco Research Council.

The typical cigarette in 1965 contained 31.4 mg of tar and 2.08 mg of nicotine. By 1975 the figures were down to 17.9 mg and 1.35 mg, respectively, and the trend seems to have continued last year.

By number, however, there has been little change in the cigarette market with the switch to smaller brands and to filter tips accounting for the difference in tobacco consumption.

Motor tax rise 'would be folly'

BY ERIC SHORT

WOULD be folly to raise more from motor tax, the Automobile Association and the Royal Automobile Club have told the Chancellor.

Mr. Erroll, the AA chairman yesterday the Government should stop giving massive amounts of money to 'stagnant declining elements of public sport' and encourage the 'swinging rates of basic' on the motor vehicle.

He looked forward to a reduction in petrol tax, and VAT on motor cars, and 'as soon as economic circumstances permit'.

The objective was 'to generate personal mobility' and 'to encourage the massive expenditure on public transport subsidies'.

Mr. Clive Bosson, chairman of the RAC, said that a car is not luxury. 'It must not be the target for increased taxation to penalise for the promised action in income tax.'

Mr. Denis Randolph, chairman of the Institute of Directors, held yesterday. 'If there is one single thing that the Chancellor could do to help our country, it should be to restore differential and incentive.'

Mr. Randolph said: 'Why would I work hard and take on responsibilities, when I can be better off than those who don't?'

Shape of things to come

NEWS ANALYSIS—PLESSEY REDUNDANCIES

ANYONE WHO suggests that Plessey's announcement of 4,000 redundancies and the closure of three telecommunications factories is a 'complete shock' to quote some of the initial reaction, has not been reading the newspapers.

For the last four months the Post Office's suppliers and their unions have been saying that the latest cuts in Post Office orders for exchange equipment would put 15,000 people out of work, most of them in areas of high unemployment.

That over a week ago GEC Telecommunications announced a cut of about 400 jobs in the North-East, 'mainly through rational wastage' but both these companies, plus the third main supplier, Standard Telephone and Cables, will have shed several thousand employees by the end of next year unless the Post Office cuts are restored.

Pressure for such a reversal of policy has been raised so far by the Post Office, the Department of Industry, the Sir Harold Wilson's dramatic intervention yesterday could change the political balance.

It has been obvious that the three companies' job cuts would come almost entirely in two sections, subscribers' apparatus (teaching handsets and small private exchanges) and by far the majority—electromechanical switching.

This is because it is the telephone exchange programme which is the largest single item of Post Office expenditure with its suppliers and because switching orders are being cut more severely than any other product.

The Post Office is also gradually phasing out the purchase of outdated electro-mechanical exchanges in favour of semi-

conductor designs. Repeated Post Office order cuts have accelerated the underlying trend of this modernisation programme—which in any case required a gradual rundown of employment in the electro-mechanical factories—creating a crisis after crisis.

Since many of the electro-mechanical factories are located in areas of high unemployment, it was bound to be regions such as Scotland, the North-East and North-West, which would suffer most.

Factories such as Plessey's in Sunderland were therefore right in the firing line. Now 4,000 workers there face redundancy, as did many people at GEC and STC plants last year.

There have been two swingeing cuts in switching orders in just over 12 months. In the late autumn of 1975, a Post Office re-think, aided by pressure from the Department of Industry and Sir Harold, then Prime Minister, restored some of the cuts it had just announced.

Sir Harold was particularly closely involved as MP for Huxton, which lies in the heart of Plessey country near Liverpool.

Another reason for Sir Harold's forceful attack on the Post Office yesterday may be that Plessey seems to have placed more faith than GEC or STC in the long-term ordering programme which emerged after his intervention in November, 1975.

Between September, 1975 and last September it reduced its telecommunications labour force by only 3,700 from 28,500, while GEC cut 3,700 from its smaller base of 26,700.

In the event, Plessey's cautious optimism was 'proved wrong. Not only did Post Office

demand not revive, but its orders over the past 12 months have failed to match up to the official programme approved by Sir Harold in late 1975.

The additional cut of £220m. in switching orders, which the Post Office announced four months ago, was the last straw.

Since before Christmas, the unions end suppliers have been arguing that the latest cuts would be unnecessary if the Post Office (with the manufacturers) were to mount a more aggressive campaign to promote use of the telephone (and therefore demand for more exchange capacity).

Sir Harold's suggestion that the £40,000 charge for having a telephone installed should be reduced or removed until the summer is in line with this view that demand is sufficiently elastic to be increased by short-term promotions. The Post Office, however, is extremely sceptical whether such moves would have much effect.

The other pre-Christmas demand from suppliers and unions was for an independent inquiry into the factors behind the latest cuts by the corporation, but it took the Government until yesterday to announce the expert who will undertake it.

Mr. Michael Posner, of Cambridge University, will have to move fast—and conclude: that the Post Office's new analysis system is faulty—if many of the 4,000 Plessey jobs are to be saved. Their formal consultation notices run out in three months' time.

Public sector employment up

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PUBLIC sector's share of total employment increased from 27.2 to 29 per cent, between 1971 and 1975, according to an analysis of employment patterns published today.

An article in the latest issue of Economic Trends, produced by the Central Statistical Office, points out that the total employed labour force in the U.K. increased by 570,000 between June 1971 and June 1975 to 24,365,000.

A rise of 660,000 in the public sector offset an estimated decline of 90,000 in the private sector.

The main feature of the growth in the public sector was the increase of about 450,000 in the numbers employed in health services and education. The majority of the rise occurred between June 1974 and June 1975.

Figures since summer 1975 for Great Britain, rather than the U.K. as a whole, published by the Department of Employment, point to a further fall in total employees in employment. This was notably so in manufacturing.

where total employment last October was about 12 per cent below the 1970 level.

The Economic Trends article on U.K. figures up to 1975 shows that employment in the other services sector (everything in ser-

vice except transport and communication) increased by just over 125m. in 1971-75.

The number of employees in private sector manufacturing fell by 540,000 in the four-year period.

The Central Statistical Office comments, however, that the net transfer of resources from the private to the public sector will not have been as large as these figures (based on numbers of jobs with no adjustment for hours worked) imply.

This is because much of the increase in public sector employment between 1971 and 1975 has been in the number of part-time female employees, whereas much of the fall in private sector manufacturing has been in full-time male employment.

Among teenagers and men in their early twenties, however, the proportion of smokers increased slightly.

A total of 43.4 per cent of all women is said to have been smokers in 1975, only slightly fewer than the record 44.2 per cent recorded for 1974.

Statistics of Smoking in the U.K. Second Edition, edited by P. N. Lee, Tobacco Research Council, Glen House, Stag Place, London SW1E 5AG.

Brussels tops price league

BY ERIC SHORT

BRUSSELS is the most expensive of the nine Common Market capitals for a basket of 10 basic foods, according to a study by the Reuters and Press Association survey, published yesterday.

In Copenhagen, 'top of the league' last year, prices fell for the second month running.

The biggest price jump was in Rome. Dublin and London remained cheapest.

Another trend to have continued was the increase in cigar sales. In 1974, the total was 1.6bn. Cigarettes, however, saw sales fall for the third year running at 160,000, less than half the 1968 figures and 5,000 less than 1974.

The campaign against smoking is more successful, with men than women, and with people between the ages of 25 and 49, the figures suggest.

In 1975, 53 per cent of men aged between 25 and 29 smoked, compared with 66 per cent a year earlier, end there were similar falls in succeeding age groups up to 50 plus.

Among teenagers and men in their early twenties, however, the proportion of smokers increased slightly.

A total of 43.4 per cent of all women is said to have been smokers in 1975, only slightly fewer than the record 44.2 per cent recorded for 1974.

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Ezra favours pay policy

BY ERIC SHORT

SIR DEREK EZRA, chairman of the National Coal Board, said yesterday that he was convinced that acceptance of a further increase of wages and salaries in the coal industry would be essential.

If the TUC and the Government can agree on a policy that provides a greater recognition of skill and effort, there should be a good chance for the acceptance.

Speaking to the Guild of British Newspaper Editors in a good chance for the acceptance.

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Speaking to the Guild of British Newspaper Editors in a good chance for the acceptance.

We're investing in Britain's future



Two of the four container berths at Southampton. On the left a fifth is under construction, with still more land available nearby.

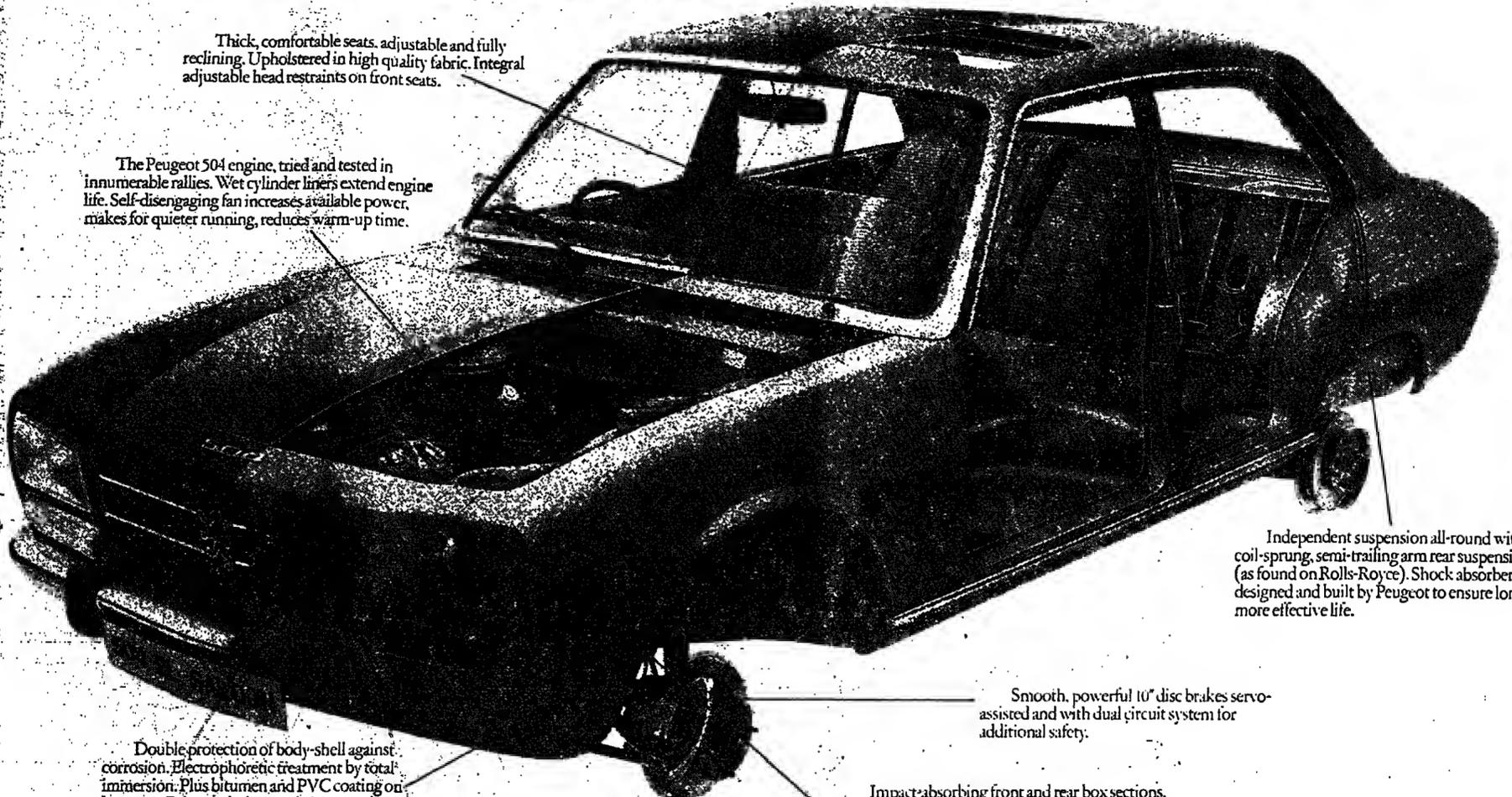
A programme of sound commercial investment is essential to keep Britain's ports competitive and profitable. That's why the British Transport Docks Board is investing millions of pounds every year in its ports to help Britain's overseas trade. Much of this money will be spent on specialised new berths—like the one currently being built at Southampton for the South African container trade. The rest is being used for improving facilities and installing new equipment in South Wales, on the Humber, and at the other Docks Board ports.

In a highly competitive market, the Docks Board has succeeded in increasing its share of trade, and today its nineteen ports handle one quarter of Britain's seaborne traffic. At the same time the Board is generating the cash flow necessary to finance its investment programme from its own operations, without recourse to borrowing. We are proud of our record as a profitable undertaking and of the people who have made it possible. With their help we will maintain our position as Britain's premier port authority.

British Transport Docks Board logo and contact information: Melbury House, Melbury Terrace, London NW1 6JY Telephone: 01-486 6621 Telex: 23913

السيارة الكلاسيكية

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The Peugeot 504 engine, tried and tested in innumerable rallies. Wet cylinder liners extend engine life. Self-disengaging fan increases available power, makes for quieter running, reduces warm-up time.

Independent suspension all-round with coil-sprung, semi-trailing arm rear suspension (as found on Rolls-Royce). Shock absorbers designed and built by Peugeot to ensure longer, more effective life.

Smooth, powerful 10" disc brakes servo-assisted and with dual circuit system for additional safety.

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Impact-absorbing front and rear box sections. Reinforced substructure and a network of side and cross members form a "cage" to protect the occupants.

Peugeot 504 from £3,449.

Pictured above is a Peugeot 504 GL saloon as you've never seen one before. This is because we want you to see some of the qualities of strength and reliability which result from the particular attitude we have to building motor cars. You don't build a quality car by chance but by design. And that's where we started, at the drawing board.

In order to build our quality car we decided that only the best materials were suitable. So we selected high gauge metal for extra strength. We decided to manufacture all the major component parts ourselves, to be absolutely sure they met the high standards we had set. We gave to the 504, as we do to all our motor cars, lengthy attention to the most minute detail. This, and our rigorous testing and quality control methods, enabled us to produce a car like the 504. A quality car, proven by success after success in the world's toughest international rallies.

The 2 litre GL saloon above is just one in our range of ten 504s, each with its share of world famous Peugeot strength, comfort and refinement. Other saloon models include

the 504 TI, again 2 litres but with fuel injection for extra performance, and the 1796 c.c. 504 L, running on 2 star petrol.

In addition, we offer two diesel powered saloons, the 1948 c.c. LD, or the GLD, 2.3 litres with a luxurious level of comfort and equipment you might not expect from such an economical car.

In addition to the five saloons, there's a range of five stylish, refined and extremely capacious estate cars, with the option of petrol or diesel engines and also a family version with three rows of forward facing seats.

Ten models in all. That's not surprising when you learn that we're amongst the world's largest motor manufacturers. We produce over 750,000 cars a year, each one of them built and tested according to our exacting standards. And to be finally sure of the consistently high quality of our product, we actually drive every completed car on a specially designed test track before we give it our seal of approval and release it for delivery.

But there's another feature of the 504 which no picture can show. It's the combination of Peugeot comfort, quietness and quality—it's called sheer driving pleasure, something you'll only discover when you drive the 504 for yourself.

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504 Petrol Saloons: 504 L £3449.16, 504 GL £3882.59, 504 TI £4314.96.
504 Diesel Saloons: 504 LD £3935.88, 504 GLD £4471.74.
Recommended retail price including VAT, car tax and seat belts, excluding delivery charges and number plates. Prices correct at the time of going to Press.

I'd like to know more about the 504 Saloons Estates Diesels (PLEASE TICK)

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LABOUR NEWS

Enterprise Board member raps Leyland ultimatum

BY ALAN PIKE, LABOUR STAFF

THE "ULTIMATUM" on the future of British Leyland delivered to the company's workers by the Government and National Enterprise Board on Wednesday was criticised yesterday by Mr. Harry Urwin, a trade union member of the Board.

Mr. Urwin, deputy general secretary of the Transport and General Workers Union, made it clear that he was "not happy at all" about the way in which the matter had been handled. His remarks indicate a split among Board members over the approach to the Leyland crisis.

In the Commons on Wednesday, Mr. Eric Varley, Industry Secretary, forcefully supported a statement from the NEB indicating that Leyland would cut off investment to its car group unless there was an immediate improvement in performance.

But said Mr. Urwin yesterday, the NEB had concluded its deliberations on Leyland by deciding that the facts of the company's position should be put

before unions and employees without any ultimatum whatsoever.

This was the climate in which the NEB members had confined some three days of discussion on Leyland. To issue ultimatums was the "worst possible way of dealing with people."

Mr. Urwin said after a meeting of the TGWU executive that he did not accept that the faults in British Leyland lay with the unions and the workers. Many rested with management.

He was also critical of the amount of information about the company which the NEB members had to regard as classified and commercially sensitive. He believed that if as many facts as possible were presented to people they might respond.

The number of Leyland workers laid off by disputes rose to 33,000 yesterday and Range Rover production at Solihull was halted, leaving only four of the company's 18 models in production.

Meanwhile arrangements went ahead for talks in London tomorrow between senior management and union leaders on the company's industrial relations problems.

Leaders of the unofficial toolroom strike, which is responsible for most of the present shutdown, will meet in Birmingham tomorrow in what may prove a significant move in the drive by skilled engineering workers for greater recognition.

The meeting will be attended by leaders of 8,000 Ford skilled workers who have been campaigning for improved representation in negotiations.

Toolmakers' representatives at Leyland's Longbridge plant in Birmingham decided yesterday to continue their strike.

New seat on TUC may go to civil servant

By Our Labour Correspondent

THE TUC is believed to be ready to create another seat on its general council for a Civil Service union.

Prime contender for the seat would be the Civil Service Public Services Association, which has 224,742 members and is the largest TUC union without a representative on a council.

At the last annual conference Mr. Ken Thomas, the general secretary, failed to elect to one of the two seats presently allocated to the Service and Post Office staff.

These went to Mr. Christopher of the member Inland Revenue Federation, following Cyril Plant, his predecessor, and to Mr. Jackson of the 188,000 member Union of Post Workers, who has been on council for some time.

This and other changes to the structure of the TUC are being considered at a special consultative conference at the end of April.

The CPSA has been invited for a council seat. A decision will be taken in the light of the unions voting at the year's congress.

It is not yet clear which all unions will continue to elect general council members or whether voting will be on a constituency basis.

Target is 20,000 cars weekly

By Terry Dodsworth

BRITISH LEYLAND will have to set a target production rate of about 20,000 cars a week if the company is to meet the "planned and agreed levels of output" set down as the condition for further Government support for the company.

If the car group can achieve this figure with its present workforce of 125,000, it should have little trouble meeting the productivity objectives which are also part of the planned programme for recovery.

Assuming that the company is successful in its bid to return to normal working this month, it is likely to want to negotiate its next £200m. tranche of loan finance in June—although it would almost certainly be taken up at a much later date.

So far this year about £25m. has been spent on capital investment within British Leyland, and £25m. of the Government funding take-up. Another £25m. is due to be drawn within the next month leaving £50m. from the £100m. of loan finance allocated last July.

It is clear from the Government statement on Leyland's position that the financial shortfall in the cars group has become acute within the past few weeks. The company, which has been given just one month to set its house in order, is expected to use the Government money only for capital investment.

Three Government staff unions demand closed shop

BY ALAN PIKE, LABOUR STAFF

FORMAL DEMANDS for a closed shop to the Civil Service have been submitted to the Government by three trade unions, which together represent more than 330,000 civil servants.

The provisions of the closed shop which the unions are demanding would extend to new entrants and existing union members. Civil servants who are not members at present and newcomers with legitimate religious objections would be excluded.

Separate but similar claims have been submitted to the Government by the Civil and Public Services Association, the Inland Revenue Staff Federation and the Civil Service Unions.

Their membership is concentrated in the clerical and junior Civil Service grades. Unions representing senior civil servants are more doubtful about enforced union membership and are not involved in the claim.

The Civil Service Department has not yet replied to the claim but the unions hope there will be developments in time to report back to their conferences in the spring.

At present there are no closed shops in the Civil Service although they do exist in nationalised industries.

Mr. Len Moody, general secretary of the Civil Service Unions, said yesterday that while the

proposal might seem radical, the Government had itself introduced legislation restoring the right of unions to negotiate closed shops.

"It cannot expect its own employees to be treated differently to those in other sectors," he said.

The unions will argue that a majority of the grades which they represent are already members—Mr. Moody says that between 90 and 95 per cent of the civil servants who qualify to join his union already have membership.

An appeals tribunal for new entrants who refuse to join on religious grounds is proposed, with those given exemption being expected to make an equivalent donation to union subscriptions to an approved charity.

Windscale pay offer rejected

STRIKERS AT the Windscale atomic plant in West Cumbria decided yesterday to continue their strike, now in its 11th week. Five nuclear jobs which normally contribute to the nation's electricity supply, closed and 4,000 people are out of work.

Yesterday's meeting was the latest peace offer by the Nuclear Fuels which was rejected. Each man would receive a payment of £500 two instalments after return to work and their claim for special condition money would be arbitration.

About 2,500 strikers after the meeting and there was a number who wanted to see the offer described by one of the six unions as "the best we can hope for."

The next week 300 in condition money and full for the time they have been on strike.

Move to end Nigg dispute

By Ray Ferman, Scottish Correspondent

TALKS WILL be held to-day to settle a strike by 1,500 workers at Highland Fabricators construction yard at Nigg, which threatens the delivery of the Nimian central platform, due next month.

The dispute is over the size of completion bonuses. The company is understood to have offered £750 for each man if the steel jacket is ready by April 7, falling to £190 a man if it is finished by April 14. The men are believed to be asking for an additional £200.

Hope rises for end to dock boycott

HOPES ROSE yesterday that dockers would call off their boycott of the new West Dock in Bristol.

Avonmouth's 1,300 dockers have refused to touch the West German coaster Edith Sebban, the first ship to arrive at the showpiece dock. They demand better fringe benefits.

At a two-hour meeting to discuss an improved offer from port employers, senior shop stewards agreed to call a mass meeting to-day.

Mr. Ken Oaten said for the employers: "The situation looks encouraging, and now we hope that common sense will prevail and we can get the dock fully operational."

If the men decide to handle the Edith Sebban, which will take at least two days to discharge, the standard will have cost the Port of Bristol Authority more than £100.

It is believed that the employers' proposals include better sick pay and protective clothing allowances. The dockers' claims were rejected earlier as outside the pay code.

Curate claims unfair dismissal by bishop

AN ASSISTANT curate who gave up his teaching career to work for the Church was "saddened and bewildered" when his bishop dismissed him, an industrial tribunal in Cambridge was told yesterday.

The Rev. Henry Stephen Housman, who was working at St. Matthew's Church, Littleport, Cambridgeshire, is claiming an unfair dismissal by the Rt. Rev. Edward Roberts, Bishop of Ely.

Mr. Housman, aged 56, is the first chorister to allege unfair dismissal against his bishop.

Two preliminary points being heard at yesterday's session of the tribunal were whether the application was in time and what Mr. Housman's status was as an employee of the Bishop.

The tribunal was told by Mr. John Sennitt, for Mr. Housman, that in March last year the bishop wrote to Mr. Housman saying: "I must now write and say I do not feel able to ordain you. I feel your work lies in other fields."

"Your time as an assistant should terminate at the end of June."

Mr. Sennitt said that Mr. Housman stated in his reply that the bishop's letter had "caused me sadness and bewilderment."

Since his dismissal, Mr. Housman has been living on the dole with his wife at Downham Market, Norfolk. He has two teenage daughters at boarding school.

Mr. Anthony Davies, for the bishop, said: "As far as the Church is concerned, this is an extremely important case."

"This is the first time for a great many years in which it has been attempted to make the clergy of any level susceptible to employment legislation in the civil courts."

If it had been intended that recent employment legislation should extend to the clergy, the legislators would have said so.

Mr. Sennitt, summing up, said that times had changed since a ruling on the status of curates in 1952 and there were fundamental differences between the situation then and to-day.

The tribunal reserved its decision.

SNOW REPORTS

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Now, London to Cape Town non-stop

Beginning April 2nd on Saturdays at 20.15 is SAA's flight to Cape Town. It's the only non-stop to Cape Town.

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INSTRUMENTS

Digital meter

FROM Hartmann and Braun, multimeter T2201 will measure will be sessions on cables, dc voltage, ac voltage and resistance over 15 ranges with automatic zero point correction seen by the mines and emelters, before each measurement and automatic indication of polarity. Immunity to noise and choice of auto or manual selection of the range are other points of this compact instrument. The meter incorporates large circuits in its digital section and operates on the integration method with an upstroke time of 40 ms and a total response time of 320 ms. The basic dc voltage measuring range is 0.6 V, all high voltages being measured by an accurate amplification technique: ac voltages are rectified to dc signals which are processed as above. For resistance measurements a highly accurate power source feeds a measuring current of 0.1 microamp to 1A across the circuit whose resistance is being measured. The voltage drop is then measured in the dc voltage measuring section. The company is at Moulton Park, Northampton, Northampton 46311.

CONFERENCE

The future of lead and zinc

A THREE-DAY international conference entitled "Lead and zinc into the 80s" is being organised by the Lead Development Association and the Zinc Development Association. It will be held at the London Hilton Hotel, June 14-16. Discussions on lead will cover what is happening in history and smelter technology, and there will be sessions on cables, dc voltage, ac voltage and resistance over 15 ranges with automatic zero point correction seen by the mines and emelters, before each measurement and automatic indication of polarity. Immunity to noise and choice of auto or manual selection of the range are other points of this compact instrument. The meter incorporates large circuits in its digital section and operates on the integration method with an upstroke time of 40 ms and a total response time of 320 ms. The basic dc voltage measuring range is 0.6 V, all high voltages being measured by an accurate amplification technique: ac voltages are rectified to dc signals which are processed as above. For resistance measurements a highly accurate power source feeds a measuring current of 0.1 microamp to 1A across the circuit whose resistance is being measured. The voltage drop is then measured in the dc voltage measuring section. The company is at Moulton Park, Northampton, Northampton 46311.

TEXTILES

Automatic winding of woollen yarns

IN 1961 the first fully automatic cop-to-cone winders were introduced to the cotton trade. Today this is a standard piece of equipment in most modern mills. As far as the Yorkshire trade was concerned, it proved possible in recent years to rewind worsted yarns automatically, but until now woollen yarns have proved to be a major problem. Not only are they produced on very much larger ring spinning tubes than other yarns, but they tend to be much rougher in texture, weaker and to have an oil content which can lead to all manner of difficulties. Woollen spinning and manufacturing, compared with the rest of the textile trade, is comparatively small, and is concentrated mainly in a few areas of the world so that its problems tend to be localised and very specialised. Now an automatic winder has been developed from the original equipment and is being offered to the trade as a major step towards mechanising the rewinding and clearing of woollen yarns. Introduced by W. Schlafhorst and Co. (British agents: E. L. Engineering, 11 Edward Street, Bradford BD4 7BH, Tel. 0274 34185), the Autoconer automatic winder machine is intended to handle these troublesome yarns and as a result the productivity of this department in a woollen mill can be appreciably increased. Ring bobbins of yarn are taken from the spinning frames and placed in magazine creels for re-

impossible to deface it by scratching with knives, keys or other common "tools" of the vandal. The paint is water-based, and the maker says it can be used without fire risk on polystyrene ceiling tiles. Brushes and rollers can be washed out in water. The new paints are being marketed as Irllok (gloss) and Irltek (textured finish), and as a series of emulsion paints called Irlmat and Irlsilk. Two coats are required — a colour base, which is followed in three to four hours with a top coat containing the coloured chips. The number of spots produced, the mixture of colours and the degree of toughness of the finish can be varied as required. Details from Irvine Paints, 12 Mackintosh Place, South Newports, Irvine, Ayrshire (0294 212315).

MATERIALS

Anti-vandal speckled paint

BY MIXING multi-coloured plastic chips into a special formula emulsion containing more than a dozen chemicals, Irvine Paints has produced a "speckled" paint with an indefinite shelf life — it is claimed the coloured chips remain in suspension. Instead of the spray gun usually required for speckled paints, a brush or roller can be used and the maker says the new paints are sufficiently tough to combat vandalism. It is almost

DATA PROCESSING

Shares in a big unit

THE FIRST of seven building societies to order Centre-File's Housemaster distributed inquiry service for handling customer accounts on-line has installed computer and communications equipment on which the system will run, and started field tests. The society — the Property Owners Building Society — was one of the first to use Centre-File's building society service which became operational almost eight years ago. It has assets of over £60m, and operates from its head office in Cavendish Place, London. Besides providing ability to handle customer inquiries immediately, Housemaster enables building societies who do not have their own big computers to process special applications 01-638 6161.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOLETERS

PERIPHERALS

Extended options for users

TO 30 per cent. less expensive to buy, rent or lease compared with its IBM equivalents, the claim made by Telex International for the latest series of reprocessor-based terminals is now marketing in the U.S. and Europe. Developed by Telex Terminal Communications, which the company recently acquired under the name of TCI from United Technologies, the new equipment (270) takes plug compatibility one step further and because of the power of the processor, has a degree of inbuilt programming and self-diagnosis, as well as design or coding by makers of the best computer equipment is virtually a good reception since comparable other products — printers, memory, etc. — are sold so well in Europe that the company is expected to go up to £37m in the previous year. The company has a good margin on which to build with its earlier designs terminals (including micros) installed in the U.S. Canada. The area in which as now chosen to operate is one of major anticipated growth in an industry which has expanded explosively in the past ten years. Figures between 30 and 40 per cent. increase are quoted by market analysts for, specifically, micro-reprocessor based terminals. For instance, the European installed base of this type is 7,000 for 1974, but 600,000 in 1980. In the U.S. for the corresponding years, the numbers are 19,530 and 1,314,000 respectively.

ELECTRONICS

Helps board designers

RELATIVELY new service is offered by Pentech-Electronics to printed circuit board designers who have to deal either with a number of boards in a unit that contains many standard features, or with dependent boards that change moderately with time. The object is to obviate the time and cost of laying down after time the same standard items for each board design. Pentech uses a thin, such as Du-

SECURITY

Simple to install

ULTRASONIC intruder alarm put on the market by ITT Controls is installed by plugging detector sockets and fitting bracket ports as needed. Transonic rays are projected into the area to be protected and the event of unauthorised entry the detector will sense the beam and trigger an immediate alarm — a continuous high pitched note. If this is not wanted, the alarm can be switched off. The alarm is security office in 30 seconds an external alarm, a loud warning siren, will sound. An unusual facility is a pocket transmitter which takes the place of keys. As the owner leaves the premises he presses the "on" button to activate the detectors; on returning he can deactivate with the "off" button to prevent his own presence causing an alarm. The code is unique to each installation. All units have an emergency power supply and alarms will operate even if power is cut off or fuses withdrawn — and also if attempts are made to damage the system. Installation is easy, with the minimum of hard wiring. More from 833, West Street, Glasgow, GB 83B (041 429 3191).

WELDING

BOC launch in America

EQUIPMENT for the huge American welding market is supplied by Britishgen from its Arc Equipment Division at Milton Keynes under a five-year agreement with White Manufacturing of Muskegon, Michigan. The range covers a range of three TIG torches which will cope with some 95 per cent. of applications in the area and these will be sold through a very large distributorship. Further from BOC on 01-748 2020. BOC expects the new gear to

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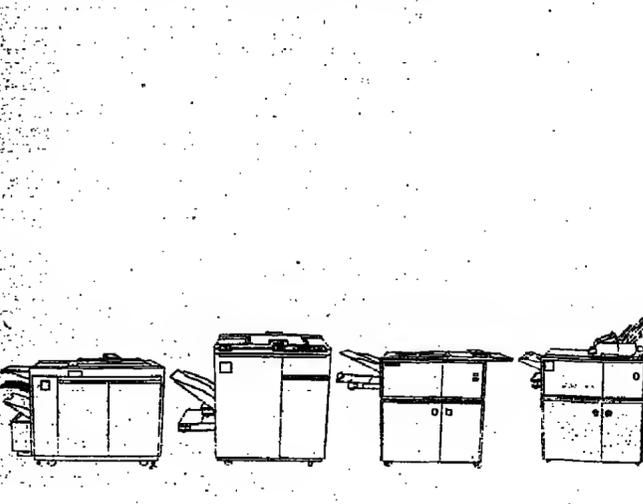
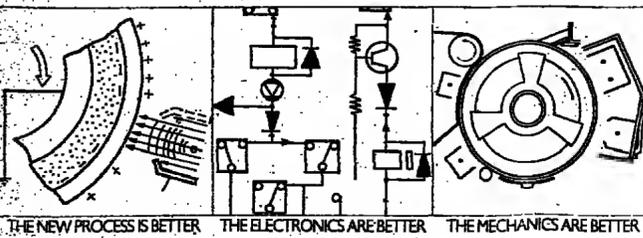
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FT 4/3



Tax threshold too low, says Barnett

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

Rees ready to review police pay procedure

THE GOVERNMENT was warned yesterday that it could reach "a point of no return" within the next 48 hours in the dispute surrounding police pay.

Mr. Eldon Griffiths (C. Bury St. Edmunds) told the Leader of the House, Mr. Michael Foot, that in view of the situation, a statement should be made to MPs next week by the Government.

Earlier, Mr. Merlyn Rees, Home Secretary, had been questioned about progress in the dispute. He emphasised that, as a result of various meetings, he was hopeful that it would be possible "to reach a solution acceptable to all concerned and compatible with the current phase of pay policy."

Mr. Rees also told MPs that the Government was prepared to review the police pay negotiating machinery if the current problems could be resolved. He said: "I have made it clear that if I can resolve the immediate pay problems, I am prepared to initiate a review of police pay negotiating machinery and an examination of the constitutional arrangements for the Police Federation."

Mr. Peter Viggers (G. Gosport) said that the uniqueness given to the police's pay situation 18 months ago when they received an increase of 30 per cent should not now be "thrown back in their teeth."

MR. JOEL BARNETT, Chief Secretary to the Treasury, indicated in the Commons yesterday that the Government is looking favourably at the possibility of raising tax thresholds as a means of reducing the burden of income-tax.

At the same time, he ruled out the possibility of large scale across-the-board reductions in income-tax at present.

Answering other points during a debate initiated by the Conservatives on the high rate of personal taxation, he argued in favour of switching the burden on to indirect taxes. But he stressed that this could only be done in the longer term.

Mr. Barnett also declared his own personal opposition to the Tory suggestion for an index-linked tax rates in order to take the effect of inflation into account.

The Chief Secretary said that in the short term he had made it clear that the Government wanted to reduce the level of income-tax but that this must depend on the next pay round and the room for manoeuvre allowed by the economic situation.



Mr. Joel Barnett

over, the erosion of differentials deterred the acquisition of skills and responsibility.

There was ample evidence of the disincentive of present levels of direct taxation to entrepreneurs and professional people but he did not think that the argument applied in the same degree to managers.

"The fact is that it costs very large sums of money, many thousands of millions of pounds, to help the average taxpayer—those earning up to £6,000," he went on.

"There is a serious problem here. It is impossible to argue that you can give very substantial relief to those at the top end

of the tax scale in cash terms and only be able to do very little at the bottom end of the tax scale.

"It would be an impossible thing to do when at the same time any Government would be asking the average worker to accept a pay deal which will result in reduction of real living standards in the coming year. You cannot justify doing that and I would not ask the House to do it."

Sir Geoffrey Howe, Shadow Chancellor, said: "More and more people believe that 'pay as you spend' is a far healthier principle than 'pay as you earn' when the burden is as high as it now is."

"There is a widespread and growing feeling not just of injustice at the present situation, but that we have devised a system which is insane. Poor people were paying income tax when their income was below that defined as poverty level.

Larger amounts were received for staying at home than for going to work. Most seriously, the burden of personal taxation was giving rise to increasingly more dishonesty as people moved into a 'cash economy'."

Sir Geoffrey warned the Government against accepting the Tory call for withdrawal of relief on mortgages for people paying more than the standard rate of income tax.

Speedier jobs action demanded

BY PHILIP RAWSTORNE

The Commons—now facing a period of short-time working because of the decline in the Government's legislative orders—was itself in an angry lather yesterday about the level of unemployment.

Trends were improving, said Mr. James Callaghan, though too slowly. And he was sharply pressed by both Conservative and Labour MPs to speed the process.

The only record that the Government had to show in the eve of its third anniversary was raising the rate of unemployment by 700 a day, Mrs. Margaret Thatcher sniped. Did the Prime Minister accept the responsibility as well as the shame?

Certainly not, retorted Mr. Callaghan. "Such a superficial approach," he said curiously. British industry had been run down over 30 years and there had never been a major workless slump. "You do not help by

pretending there are immediate and quick solutions."

The Tory leader, amid Labour jeers, retorted: "Take it you are only prepared to accept office, never, responsibility."

Now thoroughly worked up, Mr. Callaghan heaped that he was prepared to achieve industrial regeneration and to put the economy on a sound foundation. "That involves taking hard decisions, not making idiotic quips."

He agreed violently with Mr. Bob Mellish that the Tory conveyor was "sheer rubbish." Everyone knew that Sir Keith Joseph wanted tighter control of credit, money and public spending—a policy that would cause vastly higher unemployment.

There were cuts in public spending and direct taxes. "I am obliged to you for confirming my analysis," Mr. Callaghan replied.

But he had little time to savour his satisfaction as Mr. Eric Heffer, former Industry Minister, brushing aside the Speaker in his anger, led Labour demands for some industrial regeneration and to put the economy on a sound foundation.

"That involves taking hard decisions, not making idiotic quips," Heffer said. "The Government's policy of spending a policy that would cause vastly higher unemployment."

Mr. Robert Kilroy-Glik urged the public ownership of the telecommunications industry. The site of one of the Plessey factories, already had the highest unemployment rate in the country, he complained.

Booth extends schemes to help ease youth unemployment

BY IVOR OWEN, PARLIAMENTARY OFFICER

AN EXTENSION of special training measures and other schemes designed to mitigate unemployment among young people was announced by Mr. Albert Booth, Employment Secretary, in the Commons yesterday.

The Youth Employment Subsidy and the Work Experience Programme, both due to close for applications on March 31, and the Job Creation Programme, which was due to close for applications on April 30, are to be extended to August 31, 1977.

Mr. Booth made it clear that the extra help (or training) is intended to keep up the level needed by industry, including apprentices and technicians, by supporting about 41,500 places, mainly for young people.

Training courses for young people under the Training Opportunities Scheme will also be increased by 4,000, raising the total to 17,000 places this year.

As a result of other decisions, he said, the Community Industry Scheme would be expanded to provide an additional 1,500

places, making 5,500 in all. The extra 230 unemployment specialist posts for the Careers Service, already provided under the special measures, would be increased by a further 60 posts, and the scheme would continue into 1978-79 and be reviewed in September next year.

Welcoming the extension of the various schemes, Mr. James Prior, shadow Employment Secretary, stressed the general anxiety felt about the unemployment problem among young people, and grimly forecast: "It is going to remain with us for a number of years."

Mr. Booth, who disclosed that the Government estimates that an additional 150,000 young people will be seeking jobs every year over the next few years, reminded MPs of the concern already expressed by the Manpower Services Commission.

The report "Towards a Comprehensive Manpower Policy" had stated that the problems of unemployment among young people were so serious that it should become an objective of the Commission to ensure that all young people of 16 to 18

years who had no job, or who were not engaged in further or higher full-time education, should have the opportunity of training, or part-time further education, or participation in a job creation programme, or of work experience.

"The Government share this ultimate objective," said Mr. Booth. "But as the Commission recognises, it is ambitious and has considerable resource implications."

This year, the Government was allocating a further £46m. spread over the next two financial years (or the training of apprentices and technicians in 1977-78, and the schemes introduced by the Government, some of which, although having a temporary value, were unlikely to form part of the more permanent training schemes which was going to be required.

Mr. Booth agreed that the stage had been reached where it would be advisable to try to assess the collective value of all the schemes, so that an examina-

tion could be made of the "options" required. "It is immediately foreseeable, as where possible, the situation."

The working party set up by the Manpower Services Commission to review the current measures, including those which would be reported in April, was in the consideration of matters.

Mr. Anthony Steadman (tree) drew attention to the fact that despite the expenditure nearly £700m. there were some 400,000 people over the age of 25 out of work.

Mr. Booth replied that since those who had not been employed since completing their courses, about the adverse effects of the decision to end the employment, including the Minister's statement, in which the way in which the measures by the Department of Employment can be effectively in areas where are threatened.

Speaker refuses debate on Globtik Venus

A "HIGHLY ORGANISED private army" led by millionaire ship owner Mr. Kevi Tikoo appeared to have committed an act of conspiracy which would make the case of the Shrewsbury Two "pale into insignificance."

Mr. John Prescott (Lab. Hull E.) said in the Commons yesterday, Mr. Prescott's request for an emergency debate on the storming of the strike-bound tanker Globtik Venus was turned down by the Speaker, Mr. George Thomas.

Mr. Prescott said that Mr. Tikoo had made it clear he had hired a highly organised private army. "The introduction of private armies into industrial relations matters is a very serious emergency debate.

escalation. It can only lead to greater violence." Mr. Prescott said MPs would know about "this deplorable armed attack by a mercenary force." It had been recruited in England from parts of Humberside, shipped to France and told to attack the crew of a British vessel, he said.

Mr. Prescott said the issue should be discussed urgently for safety reasons. The tanker was in a highly dangerous condition and did not have on board enough personnel to keep her safe.

But the Speaker said that, in his view, the issue could not allow an emergency debate.



The crowded old "Mongkok Glory" market at Kowloon in Hong Kong—Woodblock print.

Getting the stimulus into world markets

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Written Answers

TREASURY

Mr. Teddy Taylor (Con. Glasgow, Cathcart) in view of the practice of issuing Coding Notices for 1977-78 of assessing individuals for possible rises in both superannuation payments and state retirement pensions, on what basis the estimate of state pension rise is made?

Mr. Robert Sheldon, Financial Secretary: Since the age allowance is reduced by reference to the amount by which the total income exceeds £3,250, the Inspector must, in determining the code number to be allocated to a taxpayer over 65 years of age, whose income is likely to exceed this figure, make an estimate of his income, including any pension. The estimate is based on broad assumptions as to the likely increase in total income, rather than on specific assumptions, as to particular sources of income. If the income is under-estimated, the taxpayer may be faced with an overpayment of tax at the end of the year. It is, of course, open to any taxpayer to appeal against his coding if he considers it is incorrect.

Mr. Paul Dean (Con. North Somerset): What would be the cost in loss of revenue of increasing to 30 per cent the earnings limit for self-employed pension contributions?

Mr. Robert Sheldon: The cost would depend on the extent to which the increase in the limit was taken up but assuming that the 30 per cent limit was applied in conjunction with the present income limit of £15,000 and that all those presently getting relief took full advantage of the increase, the additional cost could be up to £10m.

INDUSTRY

Mr. Esmond Bulmer (Con. Kidderminster): How many members of the departmental staff of the rank of Under-Secretary or above have had executive experience of not less than a year in manufacturing industry? and what proportion this represents?

Mr. Leslie Hunkeler, Under-Secretary: My staff at senior level includes industrial advisers, the director and deputy directors of the industrial develop-

IMMIGRATION

FOUR GROUPS of immigrants are now responsible for more than 1,000 children arriving in Britain each year. They are from Bangladesh, India, Pakistan and Hong Kong.

The information was disclosed yesterday by Mr. P. J. Woodfield, a deputy under-secretary at the Home Office in evidence to the Commons Select Committee on race relations and immigration.

The committee had asked for information about child arrivals after studying Home Office figures for the acceptance of wives, husbands and fiancés (male and female) to join immigrants settled in Britain.

In 1976, the committee was told, 8,200 men and 8,200 women were estimated to have been accepted under those circumstances, of whom more than half were from the new Commonwealth and Pakistan.

British immigration authorities have picked up 107 illegal immigrants so far this year, Mr. H. J. G. Richards, the chief inspector of immigration, told the committee.

He added that a fair proportion had attempted to enter as imposters. During 1976, 378 illegal immigrants had been discovered, of whom only 24 had been

IMMIGRATION

detected on arrival. The remainder had been identified after living in Britain for some time.

Questioned about the responsibility of employers who hire illegal immigrants, Mr. Richards said that an employer might be considered a party to the deception but "it is a difficult point."

The Home Office is becoming increasingly concerned about visitors to Britain who overstay their visas, Mr. Richards told the committee that this problem might force the Home Office to adopt reprisal. The potential numbers involved were enormous, he said.

statement has been made? Mr. Edmund Dell, Secretary of State: The investigation into allegations of dumping of suits from Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland and Romania has now been completed. My Department has found a measure of dumping, with material injury to the U.K. industry. Negotiations with the supplying countries have resulted in undertakings being received that prices will be increased by appropriate amounts where increases had not already been planned. I am therefore closing the case. Prices will of course be reviewed from time to time.

With the agreement of the industry I am not proceeding with that part of the application which covers boys' suits as quantities are relatively small, but this can readily be looked at again in future as a separate issue if it is later considered by the industry that there is a major threat.

There has been an unusually complex anti-dumping case requiring analysis of a wide range of garments in different styles and materials. This has inevitably been a time-consuming task. In spite of the difficulties the case has been brought to a successful conclusion with the co-operation of the exporting countries. I hope there will be general recognition of our determination to take firm action against dumped imports wherever it is justified.

Over 1,000 children arrive each year from East

FINANCIAL TIMES REPORTER

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MPs seek tougher Ulster security

THE RECENT killing of a man in Northern Ireland prompted demands for a Government security bill in the Commons yesterday.

Mr. Airey Neave, a Ulster Unionist, urged the Government to speed up the Royal Ulster Constabulary and to introduce more troops into the province.

A demand for the rest of capital punishment was by Mr. James Kilfedder (Down, N.I.).

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Crisis point for Italian giant State companies

BY PAUL BETTS, Rome, March 3

Divided views on housing

BRITONS are now better owner-occupied houses are housed than ever before, so investment good, those who...

These divergences help to explain the delay in the publication of the results of the Government's housing finance review...

Indeed, it is in this survey which could point to a possible way out of the present political impasse. The desire for home ownership is evidently so strong...

More room for the Chancellor

ALTHOUGH the Treasury is still trying to maintain a cautious interpretation of them, the latest figures for the public sector borrowing requirement will rightly be read as encouraging further hopes of a reflationary Budget.

It is tempting to jump to the conclusion that a shortfall of up to £2bn. in the borrowing requirement for the current year implies the possibility of equal tax cuts without any offset...

This advice is impressively supported by economic argument, and might well in an ideal world justify some increase in the PSBR next year...

THE decline and fall of the Banco di Roma and the Banco di Santo Spirito. It owns the state airline Alitalia, the broadcasting network RAI...

The latest crisis erupted last week in the form of a top management row which has split Italy's largest state holding company and biggest individual employer, the Istituto per la Ricostruzione Industriale...

To understand the seriousness of the crisis, consider the role a group like IRI plays in the economic and social life of the country. With a turnover of more than £10,000bn. (about £7bn.) last year, it controls six financial holding companies...

It is this, were not enough IRI controls four leading banks, including the Banca Commerciale Italiana, the Credito Italiano...

THE STATE OF ITALY'S STATE HOLDING COMPANIES IN 1975

Table with columns: Category, Workforce, Turnover, Profits losses (Lire bn.), Subsidies/subventions. Rows include IRI subsidiaries, Finisider (55), Finmeccanica (99), etc.

IRI also has control over the following banks: Banca Commerciale Italiana (89.9%), Credito Italiano (77.3%), Banco di Roma (89.2), and Banco di Santo Spirito (99.9)...

ENTE NAZIONALE IDROCARBURI (ENI)

Table with columns: Category, Turnover, Profits losses (Lire bn.), Accumulated debts (Lire bn.). Rows include ENI subsidiaries, EGAM, EPIM.

ENI controls 214 companies with activities in the energy, chemical, infrastructure and services, mechanical, textile and financial sectors. The Government proposes to allocate EGAM's mechanical, textile and mineral activities to ENI...

New holding companies like EGAM, and the state engineering group EFIM, were set up chiefly as rescue operations to bail out bankrupt private companies...

The scandal, for the first time brought out in the open, the question of control of state industries and their leaders. The EGAM scandal was followed by the alleged involvement of Sig. Camillo Crociani...

are taken by a laboriously centralised process and that the group's central executives rarely go out in the field to see for themselves the realities of IRI's activities...

The reaction to the IRI agreement from managers of Italy's other big state-owned enterprises is also mixed. ENI, where an internal struggle is taking place over the long delayed appointment of a new chairman for the subsidiary AGIP...

On Tuesday night Minister of State Holdings, Bisaglia, said that a review of the management structure of state industries would be undertaken. However, the announcement of this move...

For most of the 13, Sig. Calabria's new appointment is a deliberate reversal of the commitment to give IRI a more horizontal management policy. They see the new appointment as a return to the old autocratic management structure...

MEN AND MATTERS

No hats off for the Commons

Another resounding blow has been struck for taking Parliamentary procedure into the 20th century. A Commons Select Committee has been deliberating in great solemnity the momentous issue of bow MPs should raise points of order in the chamber when a vote is taking place...

Mentmore hopes for reprieve

Although the hand of Sotheby's lies heavily on Mentmore Towers Lord Rosebery, who inherited it on the death of his father nearly three years ago, is still hoping that a buyer prepared to pay some £9m. for the entire estate and contents will turn up before April 5.

Ford's bid

News that Henry Ford has joined the consortium led by Detroit-based Allen Taubman Company in its \$300m. cash offer for the Irvine Ranch, a Southern California real estate company...

Rossi's circus

There was a distinct circus atmosphere yesterday when the portly Tory MP Hugh Rossi de Rothschild who put the collection together just over a hundred years ago...

When you know more about New Zealand's healthy and growing industries...

Advertisement for The National Bank of New Zealand Limited, featuring a cartoon illustration of a man in a top hat and a woman in a dress, with text about investment opportunities and bank services.

Handwritten signature/initials in a box.

Friday March 4 1977

Overseas Construction

Slack times in their home markets have prompted construction companies the world over to look abroad for new or expanded business among the developing countries. Winning and operating contracts in these areas involves hard work, but for most groups the rewards appear to be reasonably adequate.

Tapping the potential

By Michael Cassell

GO-OVERSEAS or go out of business? could well be the motto adopted by the growing number of builders and civil engineers—not just from the U.K.—making work in new markets abroad. The problem is that without careful planning and a realistic assessment of their capabilities, many contractors add unwittingly speed up their demise rather than avoid it.

The winning and successful completion of contracting work overseas has never been easier and is now becoming increasingly difficult. It is hard work, expensive and not always profitable. Politics can be as vital as prices, and there is no room for the faint-hearted.

But despite all the problems and potential pitfalls, an increasing number of companies have succumbed to the temptations of the open world, and made their way to places like the Gulf States, Australasia and South America in search of work. Some have had little choice, with alarming reductions in domestic work leading them to look further afield, and to ignore the sound principle that the risky business of work overseas is best carried out from a position of strength at home rather than weakness. But as the managing director of a large U.K. civil engineering concern, with 80 per cent of its work abroad, said recently: "If we had been committed to our domestic market to the same degree, where might we be now?"

For some companies, however, support in this field there is a new emphasis on overseas work has merely meant an increasing awareness of the importance and expansion of their existing foreign operations, ties of

engineers, together with the allied professions, can have on the country's balance of payments and its overall economic prosperity.

This appreciation was highlighted in 1975 when the Government announced the establishment of the Construction Exports Advisory Board, designed to ensure that the UK spread belief that Britain's construction industries and professions in future participated more fully in overseas markets. There has been criticism that progress by the Board towards achieving some form of industry structure on which to base collective exporting effort has been slow, but there are now definite signs that it is beginning to mobilise the construction sector in a way that could help to overcome the damaging fragmentation of the past.

In the next year, the Board—which is not in business to assemble consortia for big overseas projects—will be concentrating its efforts on the identification and exploitation of opportunities abroad, studying ventures which have proved successful and seeing what lessons there are to be passed on.

Of major concern to the Board and to the industry as a whole will be the role played by Britain's existing network of international Government agencies in helping to identify potential business and promoting UK companies and their skills.

Again, there is a fairly widespread belief that Britain's diplomatic and commercial efforts in the export jobs involved in the effort and that, as a result, they will create harmful anomalies.

A major plank of the proposals is that employees whose work involves overseas earnings will, if they work abroad for a minimum continuous period of 30 days, be eligible for a 25 per cent tax reduction, while there will be a 100 per cent exemption for those overseas for 365 days or more.

The industry has, however, been quick to point out that many employees may spend two or three months in every year out of the country but that they are not necessarily away for more than a few days at a time and would not, therefore, be helped at all by the new proposals.

As the Export Group for Constructional Industries told the Inland Revenue, senior staff and highly skilled personnel based in the U.K. usually provide the nucleus of the team engaged in overseas work and they were required to be on call at short notice to travel overseas.

They could, said the Export Group, be involved in negotiating new work or supervising actual construction operations

as they were being undertaken. Staff in this category, with the necessary high level of experience, were the most difficult to obtain, and income restrictions meant that many companies were already having difficulty in retaining their services. They were most susceptible to offers from the foreign competitors of British contractors, and some organisations had identified this as a primary problem militating against further overseas expansion.

In its own representations to the Inland Revenue, the British Consultants' Bureau has also questioned the fairness and effectiveness of the proposals. It believes that, given the importance of foreign exchange earnings for the U.K. economy, the Government should in any case be going much further by providing positive incentives to individuals to spend extended periods abroad in securing and carrying out overseas work rather than merely giving some tax relief as compensation for the personal disruption inevitably involved.

Attempts are also being made to solve some of the problems of bonding which confront companies carrying out work overseas. While it is agreed that the Export Credits Guarantee Department has a good record in this field—some would say it has been very creative—it is nevertheless generally agreed that an extension of existing insurance arrangements could considerably broaden the industry's capacity for overseas work and give it more confidence in what is generally regarded as a very high-risk area. With the help of the industry, the Bank of England is now co-ordinating work on this front.

In the meantime, the British civil engineers, builders and associated trades and professions continue to compete in world markets. The extent of their success so far is also the subject of widely differing views.

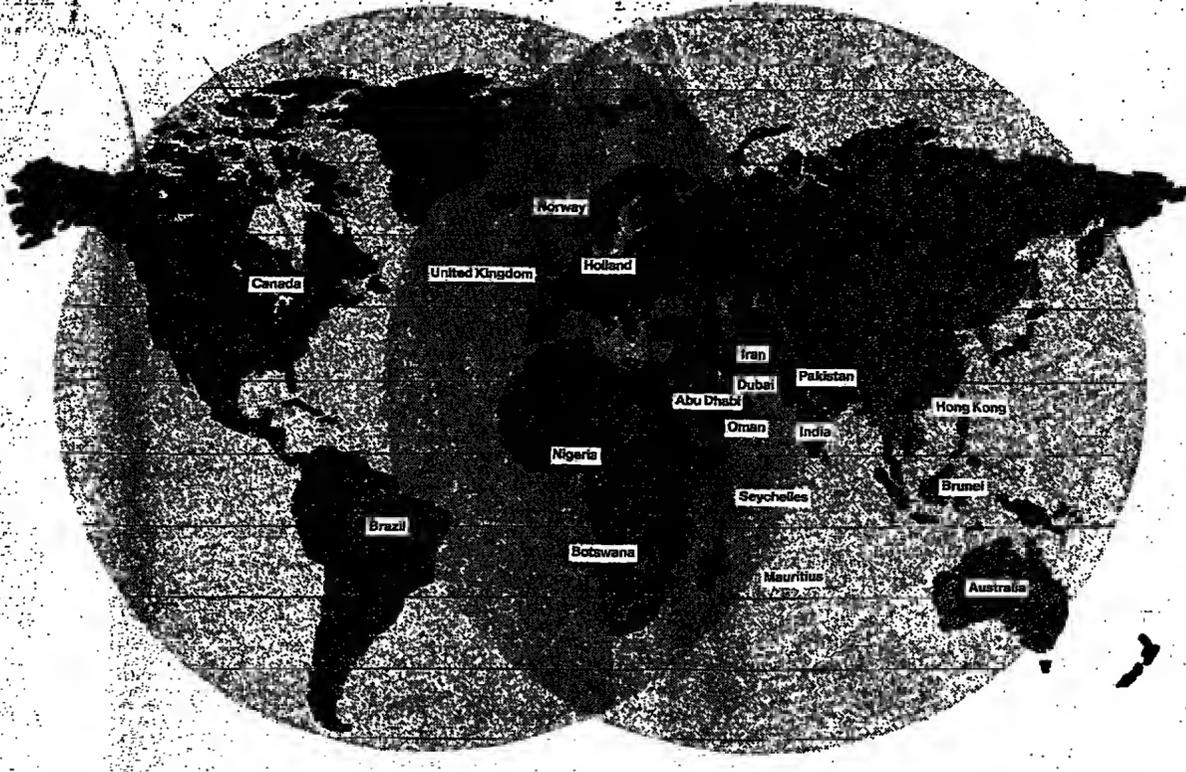
There are some notable voices within the industry which baldly state that the performance of contractors could be a great deal better and that, when the annual value of overseas orders is adjusted to take account of inflation, the U.K.'s receipt overall success looks decidedly more modest.

Awareness

In this respect, the degree of help which the U.K. contractor—new or old, on the international scene—can expect from government is something of a controversial subject, with as many differing views as there are civil servants. But what has been put forward by the Inland Revenue aimed at reducing the tax burden on people engaged in overseas work, but the plans have been criticised on the grounds that they fail to appreciate the nature of many

Independent

They point out, for example, that in the Middle East, where the UK presence is long-established and highly regarded, other nations are threatening to undermine the position of the Brits with their forceful selling techniques and apparently come top of the class.



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PROJECTS ON FIVE CONTINENTS

Energoprojekt Engineering & Contracting Company of Belgrade employs over 4,000 graduate engineers, technicians, economists, lawyers and skilled workers. Throughout its construction sites, spread over five continents, it employs over 20,000 local labourers. In the last year Energoprojekt reached a turnover of about £235m. and profits of £16.5m. Energoprojekt conducts research, design, construction and commissioning in:

- Water development, including irrigation and land reclamation
- Power installation—hydro and thermal
- Industrial and mining equipment
- Agricultural complexes and town planning, including traffic studies.

The Company also operates an advanced computer centre for electronic data processing and is engaged in foreign trade, re-export and trading operations.

Energoprojekt was founded in 1951. There has been a unique management continuity. The Managing Director, Zivko Mucalov, Dipl.Eng., has supervised the Company since its formation.

IMPRESSIVE RECORD OF GROWTH
 During Energoprojekt's 24-year existence it has been expanding its activities and the number of employees is steadily increasing. In the beginning, the Company was engaged mainly in design but grew into an industrial organisation carrying out complex projects of construction and commissioning for power and industry. It is also engaged in mining from investigation and prospecting to the final stages of mineral processing.

Energoprojekt has carried out many large projects at home and abroad on a "turn-key" basis.

PROJECTS AT HOME
 Some of the most important projects completed in Yugoslavia are:

- The Djerdap hydropower and navigation system
- The Bašina Basta, Perucica, Vlasina, Kokin Brod, Bistrica and Potpec hydro-electric power plants
- The Kostolac, Kolubara, Kosovo, Obrenovac and Morava thermal power plants. There are thirty land reclamation systems, over twenty concrete dams, over thirty high voltage power transmission line stations and a great number of town planning, housing, public building, tourist and hotel projects.

COMPLETED PROJECTS ABROAD
 Energoprojekt is active in about forty countries throughout the world. Some successful projects are:

- Uganda—A conference complex and the international hotel in Kampala, the Entebbe international airport and the textile factory in Lire.
- Zambia—The Kafue Gorge hydro-electric power plant, a complex built for the third conference on non-aligned countries in Lusaka and the Kariba North hydro-electric power plant.
- Peru—The Chira Piura irrigation and land reclamation plant and the Poechos dam.
- Panama—The Bayano hydro-electric power plant.

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- Kenya—A complete water supply system in Nairobi.
- Sudan—The government and ministry headquarters in Juba.
- Iceland—The Sigalda hydro-electric power plant.
- Syria—Irrigation, land reclamation, several hydro-electric power plants and dams.
- Pakistan—Several hydro-electric power plants.
- Burma—The Proma irrigation and land reclamation system.
- Kampuchea—The Klirrom hydro-electric power plant.
- Libya—The Wadi Caam and Garabuli irrigation and land reclamation systems and the Tripoli thermal power plant.
- Nigeria—The International Trade Fair—Lagos, and electrification of Western Nigeria.
- Gabon—Conference Hall—Libreville.
- Kuwait—Recreation Centre, Pumping Station—Shuaiba and Housing—Mina Abdullah.
- Central African Republic—The Boali II hydro-electric power plant and Omnisport Hall.
- Arab Republic of Egypt—El Mullak irrigation and land reclamation project.
- Guinea—Two hydro-electric power plants, Boko housing and installation of loading equipment for mines.

COMPLETION ON TIME
 The order book for future projects is growing, ensuring continuous growth of the Company. Energoprojekt's motto is that an international reputation is the best form of recommendation. The confidence of a company which delivers on time can be illustrated by a recent Zambian contract, where it took only 105 days to complete the complex for the non-aligned countries conference in Lusaka.

JOINT COMPANIES WORLD-WIDE
 Energoprojekt has a number of joint capital investment companies in all parts of the world. Its activity is especially important in the areas of the developing countries. The Company's successful engagement on many important projects represents a valuable contribution to their development in accordance with the friendly relations between Yugoslavia and the countries of Asia, Africa and South America. The major assets of Energoprojekt, the vast experience of its technical staff and the worldwide network of its offices and joint companies, have created favourable conditions to bid for future contracts and to be present in the markets of developing countries.

The logical continuation of such a policy, typical from the beginning of business relationships with developing countries, is also the principle that all profits made by joint efforts are reinvested in that country. In practice, technical and other staff trained in the local market and the material investments, remain for the benefit of the country concerned and this has given Energoprojekt a high degree of appreciation in the non-aligned developing countries.

Big names in the world construction scene

MOST OF the major industrialised nations are attempting to win construction contracts overseas and increase the extent and value of their foreign participation.

Overseas work is an important earner of foreign currencies and makes a positive contribution towards that nation's balance of payments. More directly, an overseas construction operation can generate exports of plant, equipment and all the materials necessary for the project together possibly with some of the skills and services required.

Until recently the international contracting scene has been dominated by companies from North America and Europe although lately some newcomers such as the Japanese and South Koreans have been recording notable conquests and are fast becoming a force to be reckoned with.

In value terms the U.S. remains way ahead of all its international competitors stretching its involvement around the world from Latin America to the Middle East and with single contracting organisations handling work worth more than all the combined contracts won by companies from any other one nation. Estimates suggest that, in 1976, U.S. contractors won work value not far short of £7bn. leaving behind by miles its main competitors like West Germany, France and the U.K.

Reacted
 The American contracting industry is dominated by names like Fluor, Brown and Root, Daniel International and Bechtel. These and many more have reacted to the lean and highly competitive domestic market by gearing up foreign operations at every possible opportunity.

Not unaturally, the Americans have made for those parts of the world where demand has been greatest and the latest indications are that one out of

every ten dollars in all new active in the developing countries of Asia and even South America.

Dutch contractors have traditionally been active abroad, with names like Bos Kalis, HEG, Stevin and OGEM-Nederhorst heavily committed overseas. The bulk of Dutch foreign orders has traditionally come from Europe itself, although the pattern has recently been swinging away to include the Middle East and Africa. The Dutch expertise in specialist services such as dredging and marine construction has, however, been in demand throughout the entire international market and British contractors like Costain have formed joint companies with Dutch operations in order to utilise their expertise in these fields.

The trend is for U.S. contractors to take on a growing share of design-construct work, a trend which gathered pace with the industrial expansion of the early 1970s and which has now grown to the point where over half of all overseas work is on this basis.

But although the value of American contractors' activity abroad has over the years been around seven times greater than the level of work overseas carried out by, for instance, the British, the U.S. has not been as successful when judged in relation to the size of its domestic industry. Overseas construction, in fact, appears to have been most important of all to the U.K. industry, where it has represented a consistently higher proportion of the total workload. Overseas work has also been important to countries like France, Holland, although the degree of foreign involvement by countries like Japan has until lately been much lower.

The U.S., apart from its wide general contracting skills has developed an army of companies able to provide a full range of consulting, design, engineering and construction services. Typical is the Austin Company of Cleveland, Ohio, which has one of its many subsidiary operations in the U.K. The company can offer a full spectrum of skills and disciplines all under a single contract and, like many of its competitors, has often won business overseas because its domestic clients have called on their services abroad. For companies like Austin, the pattern is definitely one of more international work ahead, with overseas contracts ultimately accounting for up to half of total turnover.

Apart from the U.S., most of the other major international civil engineering operations are based in Europe and several nations have emerged as specialists in some particular aspect of construction work. The Italians, for example, are respected for their experience in tunnelling and earth dam works while the Dutch, despite their breadth of civil engineering skills, are still firstly thought of as the dredging experts. Nations like Germany and France are regarded as the very close links with the banks U.K., being able to offer a high standard of general civil engineering skills. Like the U.K., both German and French contractors are now seeking to increase their percentage of overseas work, faced with a decline in home market workloads.

Numbered
 By comparison with other European countries, France has done well in overseas contracting and is numbered among the top national civil engineering forces. The value of overseas work obtained by French contractors has for many years been greater than that of the U.K., although latest figures suggest the balance might now have turned to Britain's favour, and much of its business has been centred around countries in North Africa where its political and currency links have been strongest. The region has recently been accounting for up to 40 per cent. of France's overseas civil engineering activities, with 15 per cent. coming from within the EEC.

For German contractors, such as Holzmann and Hochtief, who last year were placed second in an unofficial table of new overseas contract awards, the bulk of their foreign business has emanated from African states, such as Algeria, Libya, Nigeria, Sierra Leone and South Africa. The EEC has not provided the Germans with much work but the Middle East nations are becoming increasingly important and some major contract successes are being recorded.

Like Germany, the influence of Italian contractors has so far been concentrated in Africa, although they have also been

active in the developing countries of Asia and even South America. Dutch contractors have traditionally been active abroad, with names like Bos Kalis, HEG, Stevin and OGEM-Nederhorst heavily committed overseas. The bulk of Dutch foreign orders has traditionally come from Europe itself, although the pattern has recently been swinging away to include the Middle East and Africa. The Dutch expertise in specialist services such as dredging and marine construction has, however, been in demand throughout the entire international market and British contractors like Costain have formed joint companies with Dutch operations in order to utilise their expertise in these fields.

One of the best known Dutch companies on the international scene is the Stevin Group, which has five companies in the U.K. and has plans to go public in this country. The Dutch group has a turnover in excess of £360m. and experience of work in over 40 countries. It ranks as one of the Big Four international dredging companies based in Holland but is also involved in pipelines, housebuilding, roads and general civil engineering activities.

The group has £60m. worth of business in Nigeria, including a £20m. contract to provide runways for a new airport in the north west of the country and its dredging company has been particularly active for the Nigerian government. Stevin, which claims to be the second largest international construction company based in Holland, is also active in the Middle East and has worked in Saudi, the Emirates, Oman, Bahrain and Qatar. The company says it has over £50m. worth of dredging equipment alone in the region including some of the most powerful rock cutter suction dredgers in the world.

Intent
 Apart from those European nations traditionally regarded as having international civil engineering skills there are others which are now just as intent upon expanding overseas activities. The Greeks, for example are winning business in the Middle East—predominantly in the road building field—and countries like Yugoslavia are anxious to be recognised as an international force.

In Yugoslavia one of the major names is Energoprojekt, which according to International Bank for Reconstruction and Development ranks among the world's top ten contracting companies. About 85 per cent. of the group's activities—ranging from consulting services, planning and design to housing, power plants and computer centres—is now outside the domestic market. The value of its current undertakings is put at over £450m. and has worked in about 40 countries. As is the case with many overseas contracting organisations—though not so much in the U.K.—Energoprojekt has very close links with the banks U.K., being able to offer a high standard of general civil engineering skills. Like the U.K., both German and French contractors are now seeking to increase their percentage of overseas work, faced with a decline in home market workloads.

The group has seven subsidiary operations in five countries, as well as a dozen joint venture operations overseas. In keeping with Yugoslavia's non-aligned foreign policy, the group has traditionally focused particular attention on the markets of the developing countries. Among its major market areas are Algeria, Guinea, Jordan, Lebanon, Nigeria, Zambia and Libya. The non-alignment policy does not simply consist of the design and construct aspect of economic development but, of equal importance, also embraces the transfers of know-how and experience. Training and instruction

of local staff is regarded as an essential element in the group's programme of assisted development for its client nations.

One other major international force which cannot be ignored is South Korea, which is particularly active in the Middle East. Competitors have been stunned at the scale of their onslaught in the last eighteen months, apparently willing to take on business at tender levels which would spell heavy losses for most contracting operations. The South Koreans' major advantage—they have been undercutting on tenders by up to 25 per cent.—is their ability to draft in large numbers of their own workers to overseas construction sites, rather than relying like most other companies on a hard core of their own professional men and local operatives. Well over 30 Korean contracting operations now operate abroad, in contrast to the position a decade ago when only a few companies worked overseas. Koreans' efforts have greatly assisted by a financial and political backing which has put behind the export drive, a thing which has raised various eyebrows among contractors from other nations.

The arrival of the Koreans in Iraq, would clearly suggest that the international market for construction seem set to become tougher and increasing competition for some contractors could be growing fast.

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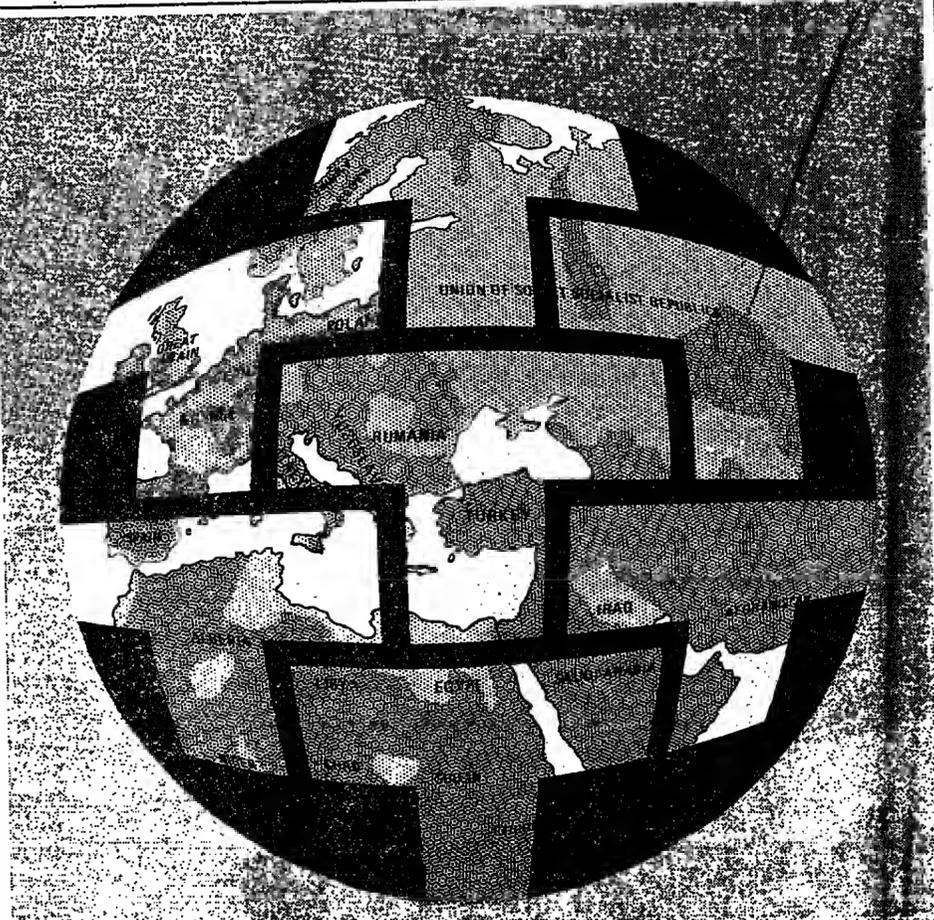
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JP Yamada

Challenge to U.K.'s high ranking

U.K. building and civil companies reached £158m. at current prices compared with the previous year's total of £110m. If earnings from the rest of the world are also included, together with earnings from the direct investment of British parent construction companies in overseas branches and subsidiaries, the total contribution to the country's balance of payments by the construction sector, excluding materials, was over £240m.

Many of the U.K. companies operating abroad have been doing so for decades, winning business in areas of the world that have long-established links with the U.K., the nations of the old Empire and more recent Commonwealth providing markets with few language barriers and considerable allegiance and affection towards the U.K. So although it might easily be imagined that all overseas work is now concentrated in the oil-rich states of the Middle East, the U.K. civil engineering presence extends much further, to Africa, the Far East and Australasia.

The level of new contracts being won, however, is certainly being dominated by successes in the Middle East countries. Orders won here in 1975-76 totalled £566m, a 235% increase on the previous 12 months.

But contracts were also being won elsewhere. In Africa, for example, the value of new contracts rose substantially for the second year running, reaching £491m, against £255m, in the previous 12 months.

In Oceania, embracing Australia and New Zealand, U.K. companies picked up business their share of the available £399m, and in North America, the U.K.'s high South American contracts rose as could easily be under £70m, to the same level.

Only in Europe did the value of new contracts actually fall, U.K. construction contracts fell by £13m, to £151m, of which £87.5m, compared the EEC nations, accounted for £467m, in the previous 12 months. The value of new contracts for overseas European contractors has little to do with the U.K. figures, but rose by £606m, during the period to a total of £1.1 billion.

The list of U.K. international contractors is a long one, during 1975-76 about 80 starting at the top with names like Costain, Laing, Taylor and Woodrow, Wimpey, Balfour Beatty, Cementation, Tarmac, Bovis, Sunley and

ing through an impressive rank of participants such as Cubitts, Fairclough, Higgs and Hill, Lesser, Kier International, Mowlem and Paulings.

Most, though not all, of these contractors have inevitably been turning much of their attention to the Middle East, sometimes in partnership. Good examples are the links forged between Costain and Taylor Woodrow to work on the dry dock project in Dubai and extensions to the Port Rashid complex while Laing and Wimpey have a joint venture in Saudi Arabia with a local group, Alireza, which has picked up some sizeable contracts involving airport work and the development of Jeddah.

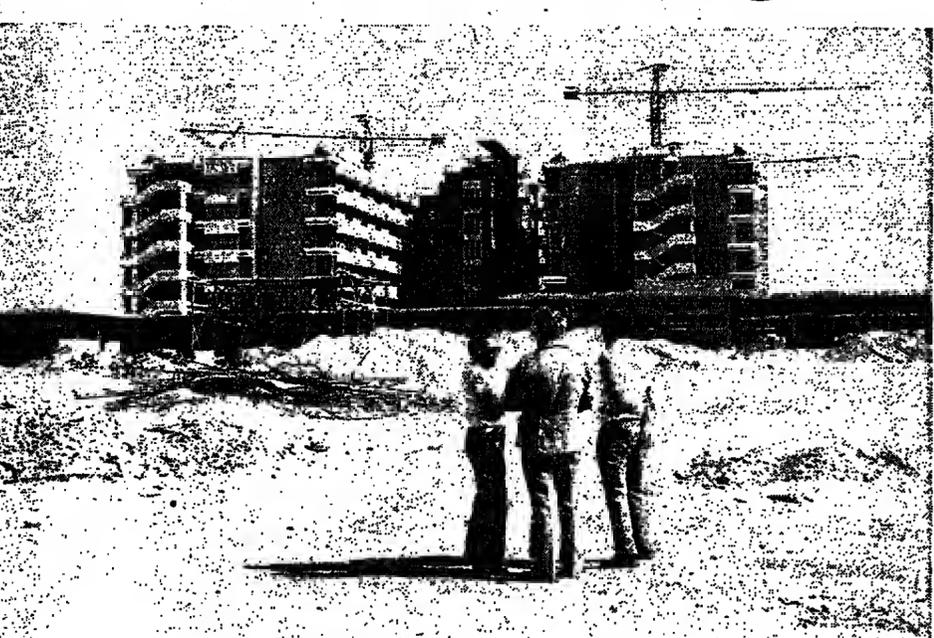
Advice

Taylor Woodrow, which is one of the best known contractors in the region, is working with the State Construction Contracting Company of Iraq to provide management and technical advice on the construction of a new £25m. phase of the University of Baghdad. The project is expected to take six years.

In another joint venture, Teamwork International, a Taylor Woodrow subsidiary, and Ali Zaid al-Quraisbi, a Saudi trading group, have joined forces to compete for work in the area. The British construction companies are not, however, notorious for their readiness to join forces to win big contracts and, to be fair, their successes in the past have been achieved on their own merit. The fact remains, however, that in order to win the super-size contracts now being suggested, particularly in the Middle East, more joint ventures will be necessary or competitors from other nations will benefit.

Still in the Middle East, Sunley has well over £100m worth of contracts in the Gulf on which it is working while Balfour Beatty Power Construction is providing overhead transmission lines for the Sharjah Electricity Department, United Arab Emirates.

Tarmac is heavily involved in Abu Dhabi and its joint venture operation involving German companies Trapp and Heitkamp has won another road building contract in the Yemen Arab Republic. Just a few days ago, Wimpey announced that partnership Al Furtaim Wimpey had won work in Dubai worth over £13.5m. One contract is for quarrying and supplying stone for use in the construction of the Jebel Ali harbour complex while the second is for road building.



A new hospital in Qatar being built by Bernard Sunley and Sons.

Costain (West Africa) has picked up millions of pounds worth of business in Nigeria, ranging from work on water supply services to cement plants and Government buildings. The company is currently handling contracts worth over £20m.

Among the other household names operating in Nigeria are Taylor Woodrow, Tarmac, Haden International, Cubitts International and Wimpey. Wimpey is currently engaged in school and road building programmes and has ventured further afield to work on airfield contracts in Central Africa.

Still in Nigeria, BICC Construction, part of Balfour Beatty, has continued to win work from the National Electric Power Authority. Cubitts Nigeria has a £10m-plus contract to build a teachers' training college and another contract worth over £9m, is for rebuilding Maluguri airport. The work involves the provision of new airfield pavements, a new central runway and site preparation for new terminal buildings.

Further afield, Australia has

traditionally presented U.K. contractors with a buoyant market, many of them establishing subsidiary operations which are as much a part of the construction scene there as their parent companies are at home. British representation includes names like Costain, Taylor Woodrow, Balfour Beatty and Wimpey.

Costain is again well to the fore and, among other projects, is involved with the construction of a shopping centre near Melbourne, a telephone exchange in Sydney and a computer centre in Canberra.

In New Zealand, Cubitts (New Zealand) is building offices in Auckland and Wellington, one of them valued at £2.6m, for the Norwich Union Life Insurance Society.

Latin America has not proved as easy a market for the U.K. organisations as many others, though they have not been with-

out their successes. Paulings accumulated their own knowledge and skills in many cases, though not all, little imported know-how is required. It would be wrong, however, to discount the chances of success for contractors in such distant markets and many companies are looking towards Latin America as an area with growth potential which could provide a valuable market place once the Middle East boom recedes. Some countries like the U.S., West Germany and Holland will prove hardy competition.

But if the U.K. is to take a greater share of overseas work and there is a fairly widespread suspicion that far greater assistance is available to contractors in some other nations, not simply in direct financial terms but in the realms of business intelligence and education, a greater co-ordinated effort appears essential.

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29,000,000 US dollar Water Transmission Tunnel at Bangkok

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With Bangkok's city centre facing constantly increasing demands for water, and the only possible source lying outside the built-up area, the city's Metropolitan Water Works Authority decided that a transmission tunnel was the only solution.

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The tunnel, when completed in 32 months, will run for a distance of 10.2 kilometres at a depth of 75 ft.

A "mechanical mole" capable of cutting through mud and rock combines the twin tasks of tunnelling and removing the excavated material. This is then passed back to one of the vertical shafts for dispersal.

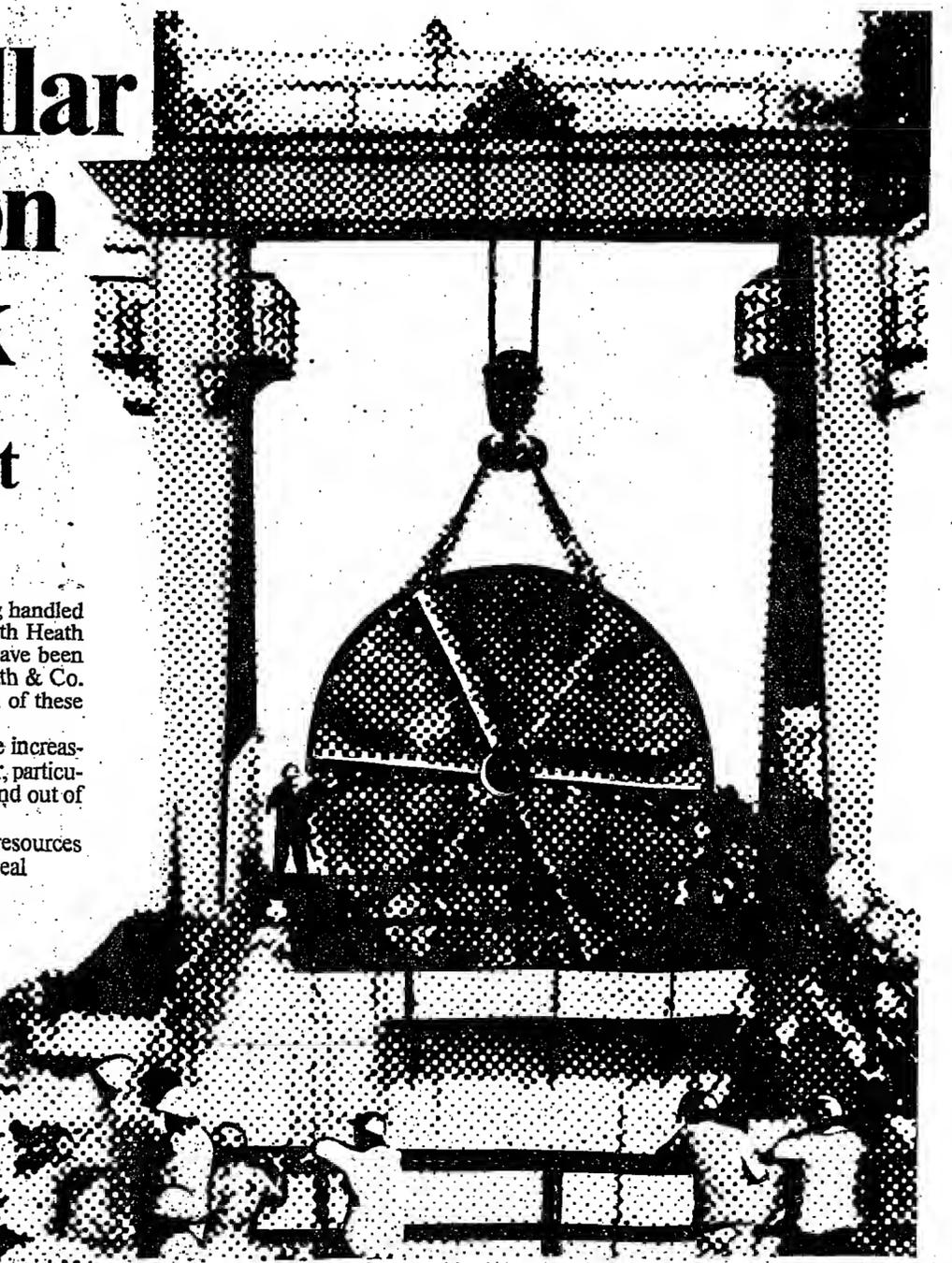
Insurance for this project is being handled by Rollins Heath Japan KK who with Heath Langveldt Rollins Ltd. in Thailand have been appointed official brokers. C. E. Heath & Co. Ltd. is the managing partner in each of these companies.

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A section of the "mechanical mole" or tunnelling shield used in tunnelling ready for lowering into one of the three working shafts. The shield has an external diameter of 4,560mm - internal diameter of 3,400mm. This machine, developed in the USA by MEACO, is built by Kawasaki Heavy Industries of Japan. Picture courtesy Nishimatsu Construction Co. and Macaulif & Eddy, Consulting Engineers.



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Project management

THE KEY to successful building and civil engineering work, at home or abroad, rests largely in the art of correct project management. But the very nature and size of many of the projects now coming forward, particularly in the developing nations, can require a breadth of expertise which few individual contracting organisations can claim to have acquired.

As a result, a growing number of clients are seeking operators with the management capability to oversee an entire project and take the function out of their hands.

To date, the U.K. itself has not proved to be a major international force in the project management field, although some individual contractors and specialist companies have been winning some substantial project services contracts in areas like the Middle East, South America and the Far East. In most cases, however, the client-professional team-contractor philosophy still governs most British attitudes and the traditional system of responsibilities persists.

Project management is a field in which the Americans in particular have excelled and the large volumes of business which U.S. operations are now managing in overseas markets stands as a testimony to their pre-eminence in this highly specialised field.

The project manager can, in effect, mastermind the entire development of a scheme from initial design stages to final completion on site and it has become the trend, certainly as far as the U.K. is concerned, for the consulting engineer to take on this task in a growing number of cases, something which his counterpart in France for example would rarely consider doing. The engineers apart, there is now however also a new breed of project management specialists which is primarily concerned with the development of professional skills in project management and the selling of these skills around the world.

The project management team can find itself responsible for literally every stage of the design-construction process. It can provide a co-ordinated team of specialists whose function is to commence the work in question with the minimum of delay and to control planning, design, feasibility studies, work in progress, procurement and materials control and all the

commercial aspects of the project, from accounting to budgeting and estimating.

The skills required for successful project management are not easily, quickly or cheaply acquired but the rewards of coping successfully with all the problems which may arise—such as the weather, labour, site conditions and materials supply—in a way which enables a co-ordinated programme of works to proceed on schedule can be financially and personally rewarding.

Apart from all these well-defined responsibilities, the project manager can also find himself simply fulfilling the role of troubleshooter and either solving problems, which less experienced managers might not have envisaged, before they arise, or tackling them as soon as they are detected. The project manager, unlike the traditional contractor, finds himself in a new environment, in which he can do the instructing and is not, any longer, on the receiving end of someone else's orders—apart from his client's general instructions.

The project manager ideally likes to be called in at the very earliest stage of any project in the belief that the design procedure forms the fundamental basis for ultimate success. This is not, however, always the case and he can find himself joining a scheme at any point, often when the existing management structure has proved inadequate.

No contractor or consortium could carry the risks involved on their own, even with the most sophisticated risk management control. Comprehensive insurance cover on all aspects of the contract is essential and the major U.K. insurance brokers are very much to the fore in designing insurance packages and placing the cover in the world's insurance markets.

Lowndes Lambert, a member of the Hill Samuel group, arranged the cover on the Jubail harbour extension, Stewart Wrightson on the Hong Kong Mass Transit Scheme and Sedgwick Forbes on the Dubai harbour project. In each case the total amount of cover was well in excess of \$100m.

money, saving time during the design-construct process is of paramount importance and the concept of good project management relies largely on a good design, ease, efficiency of operation and high quality workmanship.

It is over costs that the client usually learns his first lesson from the project manager. For while many customers may have an excellent grasp of the cost patterns within their own businesses, they have little idea of the climate as it affects construction costs. At the earliest stage of consultation, therefore, the client can quickly decide to opt for something less expensive than had been originally envisaged. The project manager might, in these circumstances, already have earned his fee.

The client who decides to enlist the aid of a project services contractor can decide himself exactly how close to the action he wishes to be, if within his own organisation he has people who are prepared to take on the making of decisions and offering guidance on a project, then there will be the opportunity for them to do so, although it is fair to say that the project management specialists would generally prefer to take control and let the client begin to evaluate and review all preliminary drawings and systems.

The art of good project management is, something which, as already mentioned, the Americans in particular have studied and in which they have more experience than most. On the basis that time costs

it is now an established management discipline. Organisations offering such specialised services have been operating in the U.S. since before the last war and now American companies are operating throughout the world, particularly in Europe, Africa and the Middle East.

Project direction, say the Americans, has helped identify the major faults inherent in the traditional building approach. These include excessive initial budgets for construction, cost overruns, late completions, high cost operations, needlessly expensive maintenance and losses of usable space.

As the head of one of America's largest project direction specialists commented: "We can plan, design, construct and make changes in a simultaneous overlapping process that works to cut time, offset inflation, respond to changing technologies, material availability and current market prices."

While the architect is pre-occupied with his prime role of design aesthetics and the design criteria established by project direction into preliminary drawings and specifications, we can begin to evaluate and review all preliminary drawings and systems.

This process, the Americans say, usually results in recurring explorations with the design team, to find solutions which often result in revisions or complete re-design. At the same

time, the cost implications are assessed. An early and integrated effect of project direction is integration and simplification of all the systems involved. In addition, decision making by owner-developer can become logical solution rather than intuitive or merely reactive.

As this preliminary work nears completion, the project management team begins to finalise various systems on two major priorities: construction schedule and dates. The project direction then ready to go to "market place" for systems such as heating, conditioning and electrical design of related systems still actually in process.

A major result of this approach is the integration of systems with one another rather than the usual inefficient practice of design disciplines working separately and awkwardly a shell.

The major results of co-ordinated project management should result in a simpler more efficient building to construct and to operate a much faster schedule.

These are characteristics which any client would wish to see in connection with his development and, for reason, the role of the project management specialist is set to grow in stature where there is a need for fast and cost-conscious development.

Growing demand and scope for insurers

CONSIDERABLE concern has been expressed over the comparative failure of U.K. building contractors and civil engineers to win a major share of overseas construction projects. Many reasons have been put forward, but one prime cause is that the penalty for things going wrong can be the demise of the contractor or consortium involved, simply from the sheer size of the capital requirement and the nature of the risks that can make things go wrong.

There are the more expected risks of non-payment, confiscation and currency movements, for which the ECGD and Lloyd's are willing to provide some form of cover. But an important feature of tendering for an overseas contract is that advanced payments and various bonds have to be put up in order to comply with conditions. Such bonds are intended as third-party guarantees of fulfilment of obligations.

The wording of the required bonds has to be such that almost invariably they are encashable. "On demand" This means that the buyer can call for payment at any time, often for the full amount, irrespective of the actual loss incurred and also irrespective of whether

or not the consortium has fulfilled its contractual obligations.

Normally the consortium looks to the banks and other surety sources to provide the bonds. These rank pari passu with overdrafts so the amount the banks are prepared to cover will depend on the asset base and financial standing of the consortium. If higher bond values are needed, the ECGD is prepared to give its guarantee to the banks, thereby assisting in the provision of bonds. It has also prepared a scheme for covering this "on demand" risk of the bond being called in for political or spurious reasons.

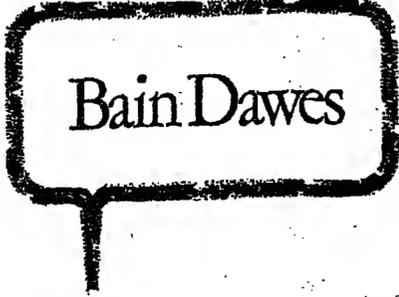
But up to now the risk that has not been covered is the contingent liability of these bonds or any other bank guarantee being called. This risk has been regarded as uninsurable since in theory it is the contractor's fault that would result in the bond being called. But contractors going overseas are operating in unfamiliar conditions with a different set of parameters to those in the U.K. They are going to be wary of putting their whole future at risk for major overseas con-

tracts, unless they can adequate insurance.

The insurance cover headed by the Credit Insurance Association, has been looking at this problem and has come up with a recommendation. It would involve the setting up of three pools. The first would consist of the surety companies—the guarantors—providing the bonds required under a particular contract. These insurers would form an advance pool to look after the tinge of risk with the providing reinsurance for the high risks. Finally banks would form a pool which would stand by lines of credit.

The study group has also considered the "two-way" political risks that under sent insurance practices be covered—increased costs due to delay or increased costs due to various partners in the firm. The pooling plan be used to provide for these risks, though there be capacity problems and ECGD played a major role.

Continued on next page



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In arranging a complete insurance package, the first requirement is the obvious one of Contractors All Risk, which will provide for physical loss or damage to the plant and work already completed from fire, accidents or extreme weather conditions. There will be the usual liability to employees or third party. This type of risk would be covered on a project in the U.K., but the factors to be taken into consideration are very different from those encountered in the U.K. for instance, on the employer's liability cover, local laws as well as U.K. legislation will have to be taken into account, since local labour will be hired as well as U.K. personnel sent out on the project.

The major U.K. insurance brokers have been operating on a world-wide basis for many years and have established a branch network covering most overseas territories. They are familiar with conditions in the area where the construction will take place. They can design an insurance scheme tailored to the needs of the contractor and the project. There is usually not much difficulty in getting these risks underwritten; the insurance market has been doing this type of insurance for decades. But there are two special factors in such cases.

The "jumbo" size of the cover to many projects means that the broker has to use more than one insurance market in order to place the risk—after all, insurance is based on the principle of spreading risks, so no single market will accept the whole of one very large risk. The second factor is that more countries are insisting that the insurance is placed with local or national insurance companies. Thus brokers have to ensure that the reinsurance arrangements are adequate; they often place the reinsurance on behalf of the local insurance industry.

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OVERSEAS CONSTRUCTION V

Meeting fiscal needs

THE RAPID expansion in the past few years both in the involvement of British contractors overseas and in the size of orders being offered on the international market has created a number of new problems and opportunities in the provision of finance. And considerable discussion is under way at present in order to ensure that U.K. groups can win a sizeable share of new orders.

The extent of the financial support needed is indicated by the increase in the value of new contracts obtained by British companies from £111m. in 1970-71 to £1,430m. in 1975-76, of which £586m. was in the Middle East. The total value of work outstanding climbed over the same period from £300m. to £1,860m. of which £788m. was in the Middle East.

The facilities available include the use of a merchant or clearing bank which will arrange credit for an overseas customer, possibly involving direct term loans. A loan agreement may be tied up between a bank and the customer whereby the bank will pay the U.K. contractor and, in turn, debit the overseas client.

The big expansion in the amount of overseas work—rising sharply as a proportion of total orders—has also made contractors all too aware of the need to minimise risk. And the Department has considerably extended the range of its services to match this expansion.

The Department's essential role is to complement the normal market sources of banking and insurance system by providing cover on a normal premium basis. But this has had to be adapted to meet the new conditions, as well as providing some limit to the public expenditure cost to the British Government.

Among the new ECGD buyer credits, the vast majority services offered over the last couple of years are a cost escalation scheme, cover on performance bonds as well as, recently, a switch away from sterling to foreign currency re-financing.

The acceleration of inflation

caused a number of problems for British contractors bidding for contracts where it was not possible to obtain proper escalation clauses. In an attempt to reduce the difficulties caused by inflation, including the effects of the fall in the value of sterling, the ECGD's cost escalation scheme was introduced in February 1975 for contracts lasting more than two years with an individual value of more than £2m.

Responsible

The contractor is responsible for the first 10 per cent. of any increase in costs above the expected level with the Government covering 85 per cent. of the next 10 per cent. For cash contracts, the figures are 90 per cent. and 15 per cent. respectively. The schemes basically concerned raw materials, components and labour costs.

This scheme has proved highly controversial within the industry which has found it both expensive and complicated. Indeed up to the end of last year, only two capital goods contracts worth £62m. had been concluded within the scheme.

There is believed to have been pressure from the Treasury and the EEC authorities for this scheme to be dropped but it was announced in December that it would be extended for a year beyond its original expiry date this month. As an incentive, the ECGD intends to make foreign currency financing more attractive than sterling deals.

But the main difficulties have been posed by the size of some of the individual contracts. The Board, Mr. Reg Fréson, the average size of new orders has

grown faster than inflation, mainly reflecting the involvement in the Middle East. For example, among the contracts currently planned are hospitals and hotels worth at least £300m. with many individual orders worth more than £20m.

But this creates certain problems since Euro-market borrowings are short-term—often six months or a roll-over basis—while several of the large-scale construction projects financed through buyer credits can run over a period of several years. But the ECGD has been granted new powers to extend loans direct to overseas buyers of British exports. This is only intended to be a contingency provision with the ECGD acting as a lender of last resort.

The details of the switchover are that ECGD guaranteed sterling finance will no longer be available for contracts requiring support for non-U.K. elements. One problem is that this is likely to be resisted by foreign buyers who are aware of the advantages of a sterling financed deal since it costs them less in terms of their own currency over the long term. As an incentive, the ECGD intends to make foreign currency financing more attractive than sterling deals.

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responsibility of the banks which raises the necessary money through the Euro-markets. Public expenditure is no longer required and interest rates subsidy is also lower.

Contracts

This has meant that the bulk of the work is being carried out by the half-dozen or so major groups with the financial strength required to undertake schemes worth tens of millions of pounds. The smaller or medium-sized groups are mainly involved as sub-contractors. But some of the projects are large even for the resources of some of the biggest companies and a series of inquiries have been launched involving Government, the City and the construction industry into the problems posed by these "jumbo" projects. Proposals for a broader-based insurance scheme to provide better cover and the creation of single contracting companies have been considered by Sir Henry Benson, adviser to the Governor of the Bank of England.

An area of particular difficulty has been bonding. In a recent discussion on the first year's work of the construction industry's Export Advisory Board, Mr. Reg Fréson, the Minister of Housing and Con-

struction, commented that "a shortage of facilities for bonding and protection against contingent facilities is thought to be a major obstacle facing major construction exporters."

This problem has arisen because a number of countries, especially in the Middle East, have been seeking performance bonds—often up to around 10 per cent. of the total value of the contract—and these can be liable for payment on demand, and effectively on the whim of the client. These bonds are in effect unconditional guarantees and have been resisted as far as possible. The ECGD has been providing cover on the bonds but this has still left serious problems.

This is because the bonds required with very large projects are to turn very big for almost any company, however large it may be in U.K. terms, and hence the bonds are difficult to arrange. This subject is very much under discussion at present within the industry and a public statement is likely to be made soon on the proposals—in particular the suggestion of a City based insurance scheme involving the creation of surety and insurance pools to provide better risk cover, with ECGD re-insuring high risks.

Peter Riddell
Economics Correspondent

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Insurance

CONTINUED FROM PREVIOUS PAGE

As yet there has not been time, those parts of the project for reactions to the proposals accommodate the new partner, either from the Government, the ECGD provides cover for banks or the insurance industry. This risk. The insurance broker can get must be done to ensure that the involved in a variety of ways. He can be called in by the risks undertaken by contractors. He can be called in by the going overseas are minimised.

Brokers

The insurance package must also provide adequate cover for liabilities that can arise when more than one organisation is involved in the project. The solvency or even the failure of a partner in a consortium or joint venture could have a domino effect on the others. This happens in the U.K. but overseas the consequences can be very much a growth area for the defaulter's share of the contract. Not only are there increased costs resulting from delay, but there are the costs too of replacing the defaulter and redesigning

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Providing manpower and skills

ORGANISING manpower for by the problems of the British economy in the past few years. With construction struggling ability to training. Local expertise, but one which not only because of the collapse of the private housing market but also because of the curtailment of public spending on projects such as hospitals, schools and motorways. Job opportunities in the Commonwealth a century ago. But it has been the rapid creation of wealth within the oil-rich Middle East States and their drive for major industrialisation and development that has caused a new boom for the construction industry.

Indigenous labour supply will obviously vary from country to country. Thus Saudi Arabia with a native population of little more than 4m. estimates that in order to fulfil its current five-year development plan it will have to recruit up to 800,000 migrant workers—and around half the total will be for construction projects alone.

Building, as a labour-intensive activity, has produced a consequent demand for manpower and the growth of an international migrant workforce prepared to travel thousands of miles for employment. Small armies of skilled and unskilled building workers have been drafted into the oil States from other less prosperous Arab nations, from Asia and the Far East.

Indigenous labour supply will obviously vary from country to country. Thus Saudi Arabia with a native population of little more than 4m. estimates that in order to fulfil its current five-year development plan it will have to recruit up to 800,000 migrant workers—and around half the total will be for construction projects alone.

However, it is from Europe, and particularly the U.K., that the contractors draw their professional staff of architects, quantity surveyors, civil engineers and the rest. Informed estimates—no reliable statistics are available—suggest that more than 10,000 highly qualified construction workers have left Britain over the past 12 months or so for the Middle East.

South Korea is also emerging as an important source of labour and it is estimated that nearly a quarter of a million could be working in the Middle East by the end of the present decade.

The reasons for the exodus are not hard to find in an industry which has been hit hard

Libya, by contrast with many of her neighbours, has tended not to look beyond the Arab States for its labour requirements, and the vast majority of the country's migrant manpower has come from Egypt, Syria, the Sudan and Tunisia.

THE U.S. ECONOMY may already have begun to recover strongly but the construction industry, hardest hit by the recession, has yet to feel anything like the full effects of the upturn.

British contractors report that in recognition of the growing numbers of migrant workers, national Governments are tightening regulations controlling their use, payment, and employment rights.

Last year promised to be the year when the domestic construction industry finally improved, but in the event the improvement was fitful and in some areas of the country non-existent. Unemployment remains very high in the building trades in the North East and the Midwest and unusually high even in the so called sun belt States in the South and West which have seen most of the growth.

In the complex operation of ensuring a major construction project can start on site on time, recruitment of the labour is only the first problem. However, there has been a growth of specialist agencies approved by State Governments—to handle recruitment of their nationals, and such bodies may help to get the necessary labour permits and give guidance on passport and any special requirements.

Needless to say the industry has not been helped by the unseasonably cold weather of the past two months which led in January to the largest fall in new housing starts recorded for many years. Workers have been laid off and projects delayed in the eastern half of the country and until very recently materials have been frozen so hard that even after the snow has gone work has been severely curtailed.

Though every effort possible will be made to prefabricate components and reduce on-site work to the minimum, there is understandably still a heavy demand for the more conventional types of construction with their high labour content.

Private sector builders have had a very hard time these past few years and are still loth to build speculative developments of the kind that mushroomed in States like Florida in the early seventies and are still not filled. However, there is some cautious optimism now and that may soon be reflected in the figures for new building permits, once the effect of the weather has worked its way through the statistics.

Over and above that there are important questions of whether new restrictions should be placed on the movement of migrant labourers, how their wages are negotiated, and what safeguards and guarantees against abuse should or could be enforced.

Despite the recent decision to suspend work on 18 major dam projects it is expected that the billions of dollars voted for public works projects will also stimulate the industry in the coming months although, by

Arthur Smith

Improvement

The last week has seen a modest improvement in the weather and with it a return to work in the construction industry. In due course most analysts still expect it to pick up noticeably, since sales of second-hand houses are now extremely brisk and there is a widespread feeling that the pent-up demand that this must indicate will sooner or later encourage builders to build more homes.

Continued

labour camps equivalent to small townships may have to

Low-cost Government subsidised housing developments are also promised in much greater quantity by the new Carter Administration. The Housing and Urban Development Agency, all but ignored by the Nixon and Ford Administrations, may receive much closer attention from the Democrats and may also get more funds. The President has often spoken of the need to channel more Government public works funds into housing and he also favours a low-cost mortgage scheme which would help first-time buyers at the lower end of the market.

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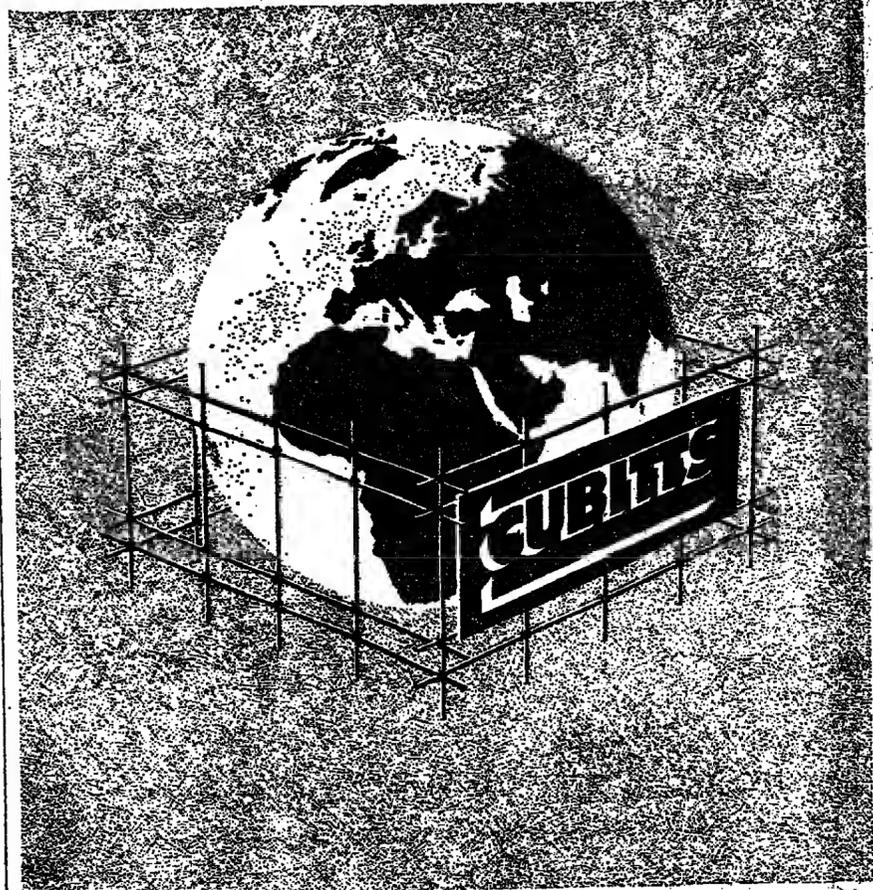
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Prominent role for the professional men U.S. contractors

CONTINUED FROM PREVIOUS PAGE

WHEN THE regular monthly figures on Britain's invisible earnings overseas are rolled out, the emphasis is normally placed on the contribution made by services such as banking, insurance and shipping and only rarely is mention made of the part played by those professionals connected with construction.

The observer could, in fact, readily forgive for imagining that the role of the construction industry consultant is a minor one when the reverse is usually the case. British consulting engineers, for example, were last year handling work valued at a staggering £25bn. The fees generated by U.K. consultancy services at large from their overseas clients reached an estimated £250m, a sum which is likely to reach comfortable £300m this year.

Consultants from the U.K. are operating in virtually every corner of the globe, offering advice, guidance and management services on projects such as sports stadiums in the Gulf, power stations in Mexico and motorways in Bangkok. Their reputation for the region around the world is excellent and, at the risk of becoming complacent, they derive satisfaction from the fact that their counterparts in Japan, Germany, France and elsewhere often look upon their success with envy.

Britain has developed a range of consultancy services, embracing single-specialist and multi-disciplinary organisations, which are in the business of using brains and exporting technology and expertise. The U.K. is not, of course, alone and there are many American organisations, for example, which would claim to offer a comparable range of skills. Nevertheless, the British consultant is traditionally regarded as being highly qualified, working to the very best standards, reliable and impartial. The architects, town planners, surveyors, management and economic consultants and mining and geological consultants are

joined by specialists providing skills in fields like the design and construction of naval installations, exhibition complexes, airports and golf courses and together they combine to form an impressive national force. Nowhere has their status been so clearly appreciated as in the Middle East, where the client is besieged by advice and, in the absence of any personal experience and skills, must be confident that his guidance is good. The British consultant, whether engineer, architect or surveyor, is relied upon to provide the best recommendation for his client, which is not necessarily the best for him or for the U.K. His impartiality has, however, become the keynote of his success and has and is generating large volumes of business.

Haziest

Life is not all roses, however, and the consultant can find himself working hard for his money. As Geoffrey Salmon, senior architect partner in a London firm of consultants said at a recent conference: "In certain areas of the Middle East, there is only the haziest idea of the differences in expertise between the architect, engineer and quantity surveyor. The Arabs have only one word to describe the skill of the building designer, which translated means engineer and so, even if he wished, this architect for example cannot really maintain a separate professional attitude or approach to building design. He is also working in a very different environment to that of Britain. Ninety-nine per cent of that environment consists of sand, dust and 90 per cent of his building materials are of the same material. He is in a country where the sights, sounds and convictions of the past several millennia are face to face every day with a 20th-century building, town planning, surveying, management and economic consultants and mining and geological consultants are

tend that he really is in Welwyn Garden City or he can face up to the most exciting challenge that his professional life will ever offer him."

In a region like the Middle East, sheer speed of events can cause major problems. Under normal circumstances, once an outline agreement has been reached with a client, members of the design team will get on with the job of conducting feasibility studies and a thorough examination of all aspects of the project. In the Middle East, however, the time scale is often so compressed that elevational sketches and plans as well as a rough estimate are sometimes all that is practical before the rush to get on with tender documents is underway. In these circumstances, there is a good case for the consultant to impress upon potential clients the value of adequate early thinking about any project.

There are, of course, many other problems confronting the consultant overseas, such as variations in planning and building regulations, documentation, tendering procedures and the thorny old question of fees.

In some parts of the world, the U.K. consultant may well find himself up against foreign competition which is sometimes subsidised by Government and he can soon see that he is comparatively exposed. Clients are told that the consultant will look after their interests to the best of their ability but then they are informed that the fee will be based on a percentage of the cost of works, thereby unintentionally giving rise to all sorts of suspicions in the clients' minds. The subject of tender prices is delicate enough—witness current events concerning the Saudis and allegations of inflated tenders intended to defraud—and the percentage fee arrangement can raise a few more eyebrows.

The fact is that, particularly in the Arab world, the client likes to drive a good bargain and consultants must not be offended if an attempt is made

to negotiate. This is in direct contrast to normal practice in the U.K. but in the absence of a mandatory fee scale, bargaining can become the order of the day and if the consultant is not prepared to do this, he can be sure that someone else will.

There is another area which gives rise to some concern and which could materially affect potential success. Some people believe that the consulting engineers' major weakness lies in the level of responsibility which they are willing to accept on projects, a vital consideration for the client. Their current conditions of employment assess the extent of that risk as no more than the total of fees paid and, in the event of a catastrophe, a wrangling match over responsibility inevitably begins. The chances of extending ECGD arrangements—formed to cover items such as materials and supplies—to embrace consultancy services, are now being examined.

As far as the general U.K. effort to promote its consultancy services is concerned, the situation is much the same as it is across the entire building and civil engineering sector. There is a feeling that more centralised control is required to maximise overseas business opportunities and much of this work is now being done by the British Consultants' Bureau.

Purpose

The Bureau was established in 1965 as a non-profit-making multi-professional body with the sole purpose of promoting U.K. consultancy services abroad. Its founder members were all engineers and its original sponsors were the Association of Consulting Engineers, the Export Group for the Constructional Industries and the Board of Trade. The Bureau's membership comprises 200 of the largest, most prestigious consulting firms in the country. It is not a job-getting agency but exists to provide support and advice for consultants working abroad. As part of the general strategy that has now been laid down by the Government's Construction Exports Advisory Board, the ECB

is now adopting the mantle of focal point for the consultancy side of the building and civil engineering overseas effort, although it is anxious to point out that it will not be attacking the sovereignty of those bodies representing individual sections of the consultancy profession.

Mr. Derek Rose, director designate of the Bureau, believes that the consultants need a stronger voice and must attempt to become less fragmented. The skills and experiences accumulated should, he says, be better harnessed to allow them to compete more successfully for foreign business.

The Bureau was originally and principally involved in supporting trade fairs, symposia and seminars, organising missions and offering general assistance for consultants. Although these functions will be continued, the Bureau has now evolved a new strategy aimed at establishing it as the central representative of the consultancy professions. In order to effectively channel the collective expertise of its members, it has established a series of sector and regional working groups designed to stimulate awareness of overseas opportunities and to widen contacts and understanding between members and Government departments. Among the sectors covered will be oil, agriculture, minerals and transportation and the initial regions to be covered are Latin America, Tropical Africa, West Africa and the Middle East.

In addition, the Bureau has established a specialised finance working group which will keep under review such vital areas as taxation, contractual financial requirements, insurance and sources of finance for overseas consultancy work. "Our plan is to enable members to group together and attack outwards. The efforts made abroad by U.K. consultants to date have been extremely encouraging but we believe that, given proper organisation, far more can be achieved," adds Mr. Rose.

Although U.S. companies have been well pleased with this seven-fold increase in Middle East business in the past two years, they are under no illusion about the increasingly tough competition that they face from French, Italian, German, British and Japanese contractors and also from Pakistani and other Third World companies now breaking into the Middle East market.

The strongest card that the Americans have so far held both in the Middle East and elsewhere is that they have close ties, particularly in energy-related fields, with the companies that design such installations as refineries, natural gas processing plants and the like. This enables them to be in at the start in the bidding for contracts and to offer an attractive range of expertise.

Industrial

Among the very largest U.S. contractors the amounts involved are enormous. Fluor Corp., for instance, which has over 80 per cent of its business overseas, won a \$4bn contract in Saudi Arabia late in 1975 to build a natural gas plant. Bechtel is managing the construction of a \$9bn petrochemical city in the same country and last August Ralph Parsons won the preliminary contract for a \$987m industrial city, also in Saudi Arabia, which seems likely to lead to the award of the full contract later to the same group.

Fluor, like Bechtel, keeps a very low profile but it did recently tell an interviewer that its travel bill alone in 1975 amounted to some \$7m, and it has recently ordered a second executive jet aircraft. But for all the glamour that attaches to Middle East contracts the companies still report that they have two major pre-occupations. First of these is the continuing problem of doing business in the Middle East. Shortage of labour, delays in the delivery of materials, congested ports and endless bureaucratic problems all conspire to make building in the Middle East more difficult than in most other parts of the world. At home the change in the Administration has intensified fears among major contractors

about the Arab boycott legislation now before Congress—with the only effect that it will have will be to open the door to more competition for American companies with consequent loss of export income and thousands of jobs. In recent testimony the Associated General Contractors of America estimated that as many as 800,000 jobs that currently depend to some extent on business done in the Middle East might be at risk because of the proposed anti-boycott legislation.

This figure may be something of an exaggeration but the industry has been lobbying hard against the new legislation. As its chief spokesman told the Senate Committee hearing testimony on the case: "We oppose anti-boycott legislation because we feel that it would have a seriously detrimental effect on the future role of the American businessman in the vast and rapidly developing Middle East market. This in turn would adversely affect the whole American economy."

Projects

But if the Middle East has been attracting most of the attention, U.S. companies have been very busy in other parts of the world too. The Engineering News Record, which each April publishes the definitive list of major projects under way, reported last year that the top contractors were at work in 103 countries, including the Soviet Union and several countries in Eastern Europe. Fluor is currently about to begin work on a natural gas plant in Western Siberia in conjunction with two Japanese companies. Africa is also still a major market, although less so than in the earlier part of this decade. Last year 95 per cent of the companies surveyed by Engineering News Record reported to have more work at home and, the Arab boycott excluded, they do not see any major obstacles in the way of increasing business abroad.

Nevertheless the omens are better than they might have been even if the promise of last year did not really materialise at home. This is enough to make any forecast for this year highly tentative but most analysts do expect the industry to have more work at home and, the Arab boycott excluded, they do not see any major obstacles in the way of increasing business abroad.

fact that companies are now much more experienced in the areas where they operate and can better build into their initial estimates the effect of inflation and general delay. The profitability of these contracts is one of the reasons why companies are loth to lose them despite the headaches they cause. The news this week that if the Administration does approve anti-boycott legislation it will include a "grace period" will go some way to easing fears about a sudden loss of this business but it is too early to say what the longer term impact of the legislation will be until the Administration's thinking has been examined in greater detail.

Uncertainty

Worries about the boycott aside, the major clouds on the domestic horizon are what they were last year. There is uncertainty about the level of wage settlements in the industry and the effect that this might have on building costs. The new Administration will probably approve the Bill vetoed last year by President Ford which would allow unions to picket an entire building site even if their grievance is only with one union.

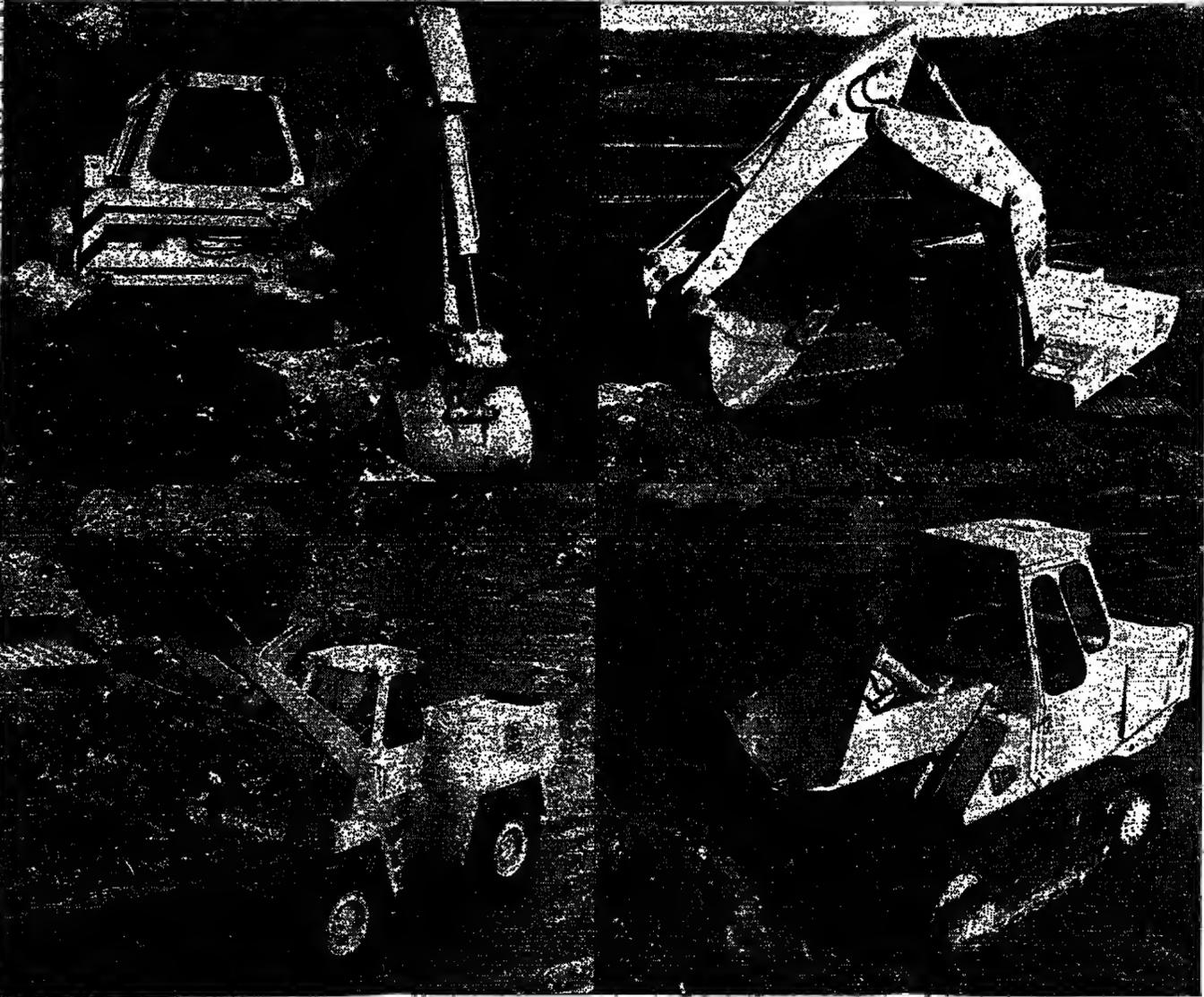
Projects

This Bill has been a bone of contention between business management and labour in the industry for some time, and if it is passed this will remove one source of friction in an industry noted for somewhat abrasive labour relations. However, if the new Democratic team emulates its predecessor and pushes for greater employment of minorities in the skilled building trades, this might simply replace one source of friction with another and it could turn out not to be too peaceful a year on construction sites.

Nevertheless the omens are better than they might have been even if the promise of last year did not really materialise at home. This is enough to make any forecast for this year highly tentative but most analysts do expect the industry to have more work at home and, the Arab boycott excluded, they do not see any major obstacles in the way of increasing business abroad.

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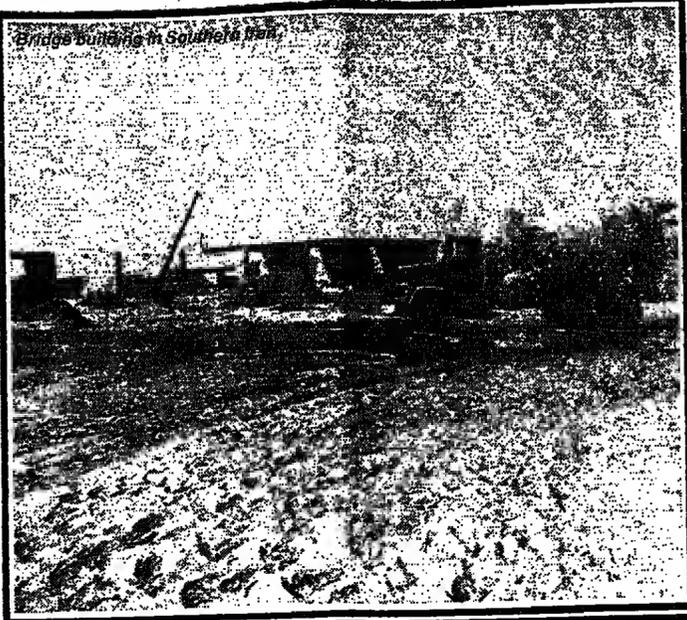
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The mighty market of the Middle East



"THEY USED to say that if you sat at a table in a cafe on the Champs Elysees someone you knew would eventually walk past. Now the same can be said of the foyer of any hotel in the Gulf—and you don't have to wait very long either"; these comments of the managing director of a British-based international civil engineering group may be a trifle exaggerated but they are by no means entirely fanciful and certainly help to indicate the scale of the recent mass-migration of builders, civil engineers, and associated professions to the Middle East in search of business.

The migration is not something which has just begun or which involves participants from only one or two geographical locations. Some of those involved have been looking for, and winning, work in the Middle East for many years, well before the true potential of the oil rich states was ever appreciated.

Recently, however, the move towards Middle East involvement has spread, encompassing men of every size and disciplines of every type. For many of those involved in the construction world to-day, the question "Are you overseas?" invariably means "Are you in the Middle East?" In an increasing number of cases, the answer is positive.

Diverse

The Middle East markets for construction are themselves as diverse as those in Britain and Brazil; they can be extremely tough—both commercially and physically—and are intensely competitive. Forecasts that boom cannot possibly last and that most organisations will end up with badly burned fingers are occasionally given some credence when client nations are forced to scale down over-ambitious public expenditure programmes or start talking in terms of barter deals. But, despite the setbacks, the consensus is that the markets will remain strong for at least the next ten years and, hopefully, for twice that long.

The appeal of the Middle East would, in normal times, have been hard to resist for any organisation looking for expansion, but with many domestic markets throughout the world continuing to struggle through prolonged recessions, the need for growing numbers of companies to go further afield has increased significantly and can now mean all the difference between commercial life and death.

As a result, the world's largest and longest-established, the world's most skilled and the world's most experienced, together with some of the opportunists and the had businessmen are all concentrating their attentions on a corner of the world which can offer a thriving, expanding and, hopefully, lucrative market place.

That is not the scenario for a light-hearted sortie or a cursory whistle-stop tour in the hope of easy business. Exporting is not, as some misguided but no doubt good intentioned observer remarked, always fun. In the Middle East, it is rarely so.

The problems, however, have not been frightening enough to prevent what seems like every civil engineer and his dog from trying to grab a proportion of the action. While it is difficult to assemble accurate statistics, it is clear that the American companies, such as Fluor, the Bechtel Corporation, Brown and Root and Kaiser International, are the major presence in the region.

Bechtel of San Francisco, for example, is a giant among giants. The company is now, as management contractor, evaluating bids from more than two dozen companies—some British—wishing to stake a share in a £22m construction programme in Riyadh Saudi Arabia. The programme forms the capital group's turnover comes from construction end of a £140m.

At the other end of the scale, with the U.K.'s Pritchard Services Group who, in a joint venture with Waste Management of Chicago, will be responsible for five years for the city's public cleansing services, out, Bernard Stinley has won a £26m contract to build a civil aviation training school and hostel complex in Jeddah. Mr. Deeley admits that operations, for the time being, are not exactly profitable and he accepts that some miscalculations and mistakes have been made, largely centred on the organisation of materials and labour on site. He is confident, however, that the venture will succeed and can anticipate the day when half the programme forms the capital group's turnover comes from overseas.

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Government figures showing 80 per cent of its turnover now the extent of overseas involvement comes from the Gulf but it is now a year out of date but come quickly or without con- they nevertheless indicate the considerable initial expense. Amongst the biggest names,

Costain now has extensive contract work in progress in Oman, Dubai and Abu Dhabi and 20 per cent of group turnover comes from the region. Costain is working on the massive Dabai dry dock complex with Taylor Woodrow—a type of arrangement which contractors will have to repeat in order to win some of the contracts in the pipeline—and the total value of the project is now put at £162m. Costain is also working with Taylor Woodrow on a £120m contract to extend the Port Rashid development in Dubai. Without any outside help, Costain is also building a £27m cement works and a £10m building for the UAE currency board.

Costain is in Oman, through a partnership entitled 'Yahya Costain and current work includes the building of a headquarters for the Royal Guard, a police stadium and hospital in Abu Dhabi. Costain has a £10m contract, again for the UAE currency board, while it also has a £20m contract for the provision of accommodation on Das-Island for staff of Ahn Dhabi Marine Areas, the national oil company.

Taylor Woodrow's experience in the Middle East is also very extensive and spans more than 25 years, working from Libya in the west to Afghanistan in the East, in Dubai, Iran, Jordan, Iraq, Oman, Saudi and Lebanon. Taylor Woodrow has actively pursued a local-partnership policy in order to achieve a workable blend of experience, expertise, and resources and local knowledge. As an example, Teamwork Saudi Arabia was formed last year in partnership with local company Al Zaid Al Quraishi and pow-

er together with extremely effort management and construction projects are in hand. Taylor Woodrow is also heavily committed in Oman. In Bahrain, the company has just won a £20m contract for a Hilton hotel.

Two more international names in the joint venture business are Laing and Wimpey. In Saudi, Laing Wimpey Alireza has a £20m management contract involving the Jeddah commercial centre, while the company also has a £20m contract involving work on Abba Airport. Laing also has joint venture work in Iran.

In another mammoth contract Marples Ridgway is at work on a £40m road project in Iran, the first major road contract won in Iran by a U.K. contractor.

The British operators do not, of course, have the Middle East market to themselves, with single American contractors worth more than all the U.K. companies put together. Apart from the Americans and the West Germans, other major forces include the Japanese, French, Dutch, Italians, and the South Koreans. The successes of the South Koreans in particular have been considerable and their competitors have been astonished at their rate of progress. Almost 90 per cent of the country's export construction work is in the region and the effort has been largely based on the ready availability of cheap labour imported on to construction sites, invariably housed in comparatively primitive conditions.

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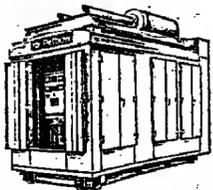
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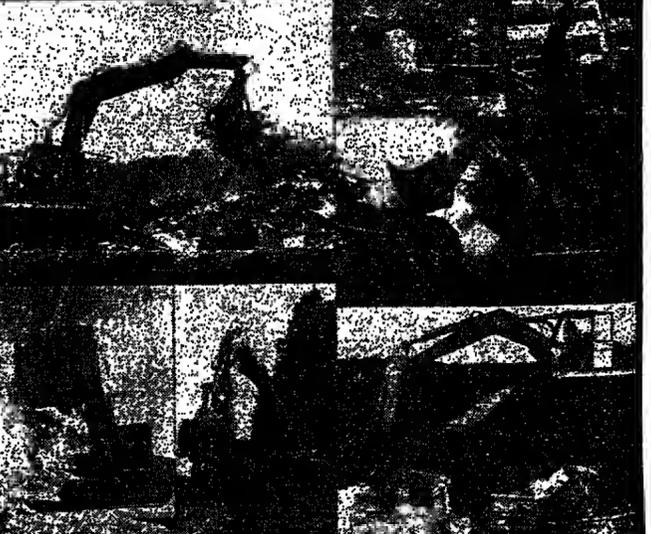
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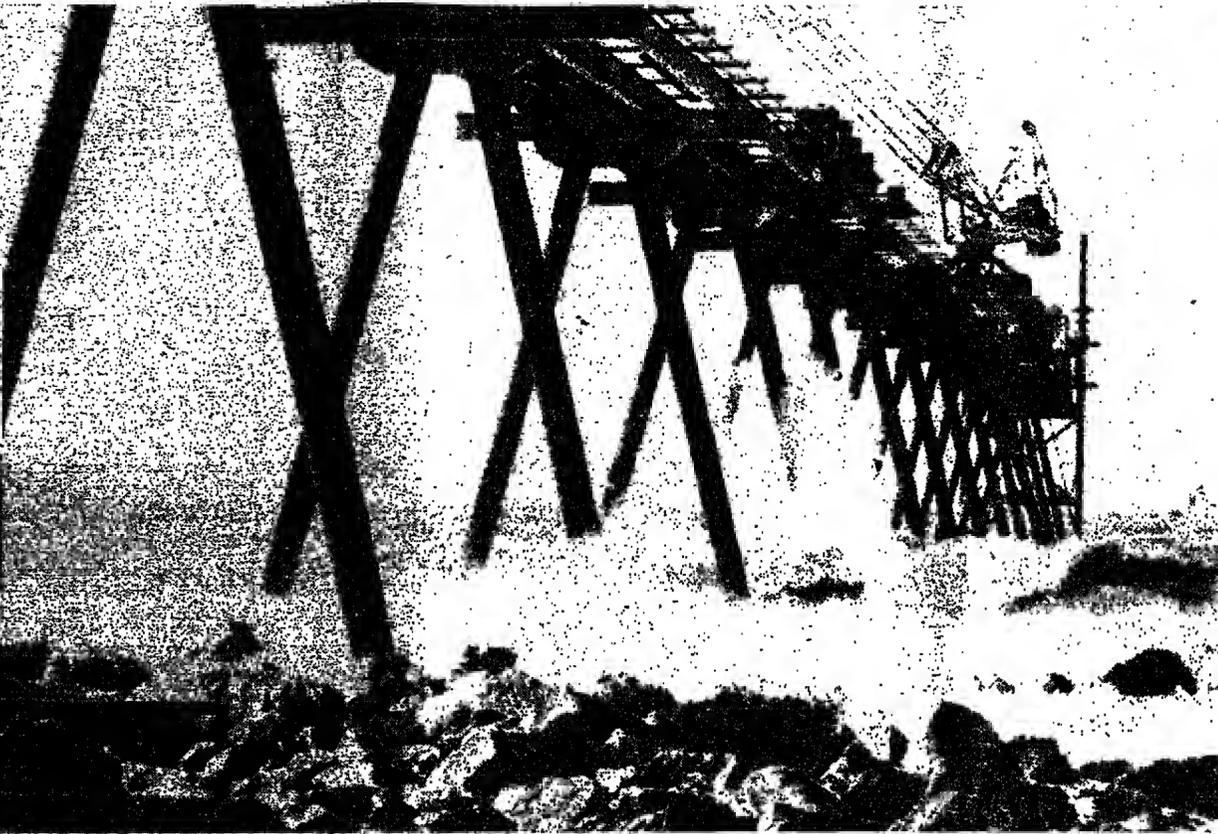
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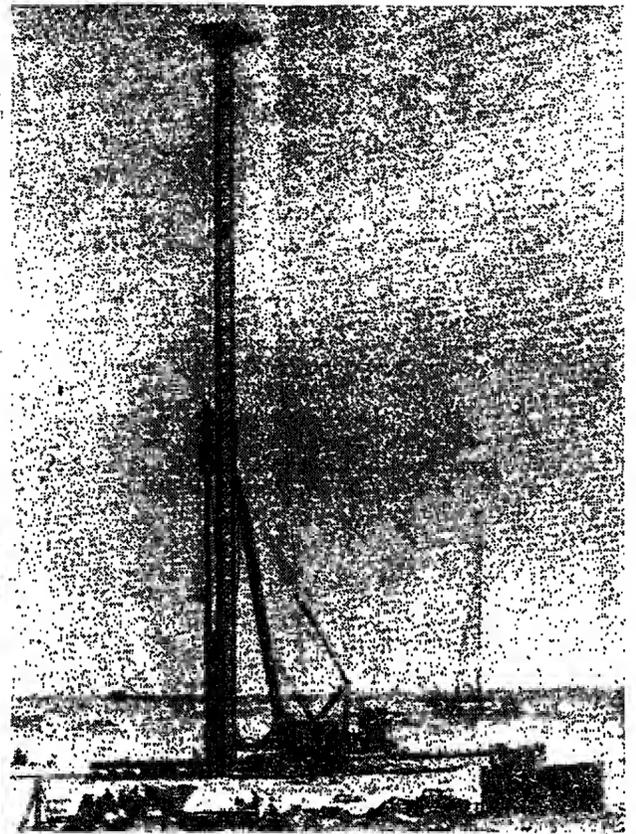
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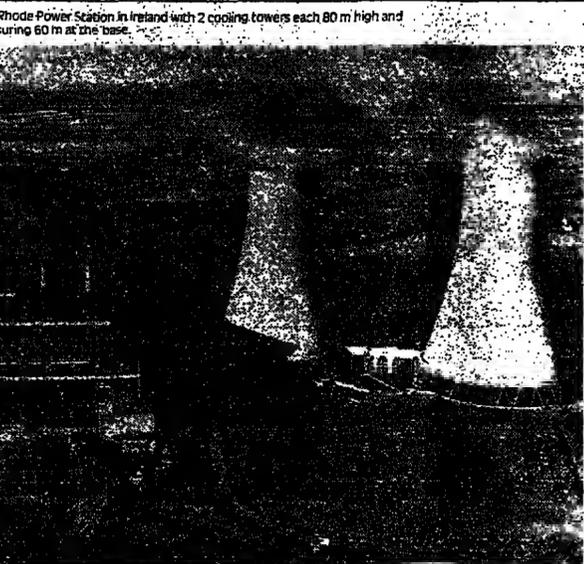
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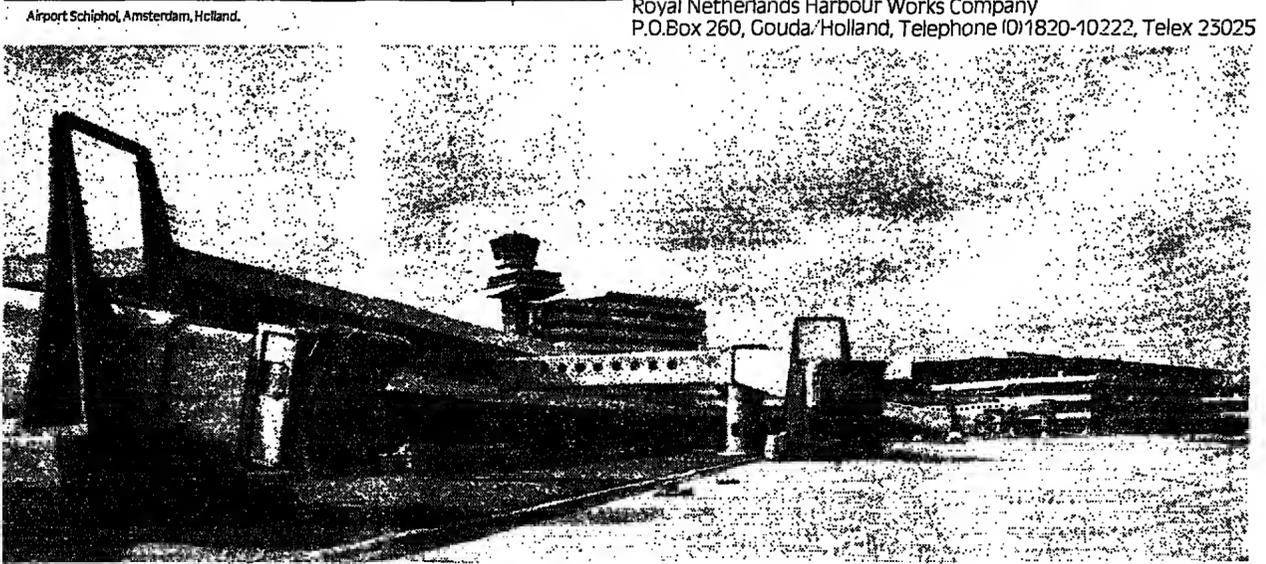
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THE CONSTRUCTION industry has a long tradition of using locally produced materials for its products. From this stems the vast range of building types which distinguish different areas, giving each its distinct style of architecture, both through the use of different materials—stone, brick or wood—and varieties of the same material—the various types of stone or brick, for example.

But the same factors that produced the variety which can still be found—the prohibitive transport costs involved in shifting large quantities of stone or bricks any considerable distance—still apply to a considerable extent when it comes to the sale of building materials overseas.

Direct exports of building materials have, in fact, been doing very well recently. In the first nine months of 1976, they rose by 20 per cent. in volume terms compared with a year before, while by value they amounted to \$450m, during that period. But the basic message for building material producers wanting to sell abroad has long been the same—to sell overseas you have to make overseas.

Just how successful the major producers have been at this is well shown in the proportion of their turnover—and profits—which comes from abroad. To take some of the biggest names in the industry, Armitage Shanks derives some 33 per cent. of its turnover from overseas. Associated Portland Cement 55 per cent., British Plasterboard Industries 34 per cent., Marley 40 per cent., Pilkington Brothers 49 per cent., Ready Mixed Concrete 48 per cent., Redland 48 per cent., Rugby Portland Cement 24 per cent., and Tarmac 22 per cent.

And much the larger part of these figures is accounted for by manufacture overseas. In Pilkington's case it is to a considerable extent, manufacture by licensees rather than by direct exports.

Changing

The areas in which the British materials and building components producers have tended to concentrate in the past are the old Commonwealth countries and Continental Europe: physical nearness to and political ties with this country have been the factors at work. There is clearly much potential still to be tapped, especially in the Middle East, though the emphasis is slowly changing as the balance of world economic power and development potential has changed.

Thus London Brick, dominant in the U.K. but until recently with virtually no overseas involvement, is presently involved in helping to build—and eventually to operate—a brickworks in Iran, breaking through what had amounted to a total ban on foreign companies participating in brick manufacture there.

Like so many overseas operations by British building material makers, the Iran project is a joint venture in which London Brick holds a 20 per cent. stake, is doing the design work and is supplying all the specialised plant and machinery.

The \$3.5m. scheme is actually under the aegis of an Iranian public joint stock company, Tehran London Brick, formed with an initial capital of \$1.4m. and backed by a \$2.1m. long-term loan from an Iranian state bank.

It followed a considerable period of investigation by the company, which wanted overseas investment but had a product virtually impossible to export on any scale. London Brick has been selling bricks abroad—France, West Germany and even Qatar have been among its customers. But that Middle East order was for luxury facing bricks. When it comes to cheap Fletton bricks, transport costs rule out any such deals. (In one case, London Brick's last annual report reveals, where a price was given for delivery to Riyadh in Saudi Arabia the charge for transport worked out at 41p a brick, 22 times the ex-works price of the bricks themselves.)

So in 1974 the company started to think about setting up an operation abroad and, specifically, in the Middle East, where bricks have for many centuries formed the basic

building material. Iran already had a flourishing brick industry—over 12m. bricks a day are currently delivered into Tehran, whose population is only 4.5m. But most of these bricks are moulded by hand and dried in the sun before being burnt in primitive kilns. The scope for creating a modern industry was clearly enormous—if an Iranian Government, already encouraging its indigenous industry to modernise, would give the go-ahead.

That consent took the best part of 12 months to secure, and the first bricks should be turned out this year. The initial capacity of the plant—whose other shareholders are the Iranian Industrial Credit Bank (20 per cent.), the Tehran Guild of Brickmakers (31 per cent.) and the Iranian public (29 per cent.)—is to be 500,000 bricks a day with an eventual target of double that.

Already, the company's initiative is beginning to pay off in the shape of inquiries for further plants in Iran. Elsewhere, London Brick is also involved overseas through its London Brick Buildings subsidiary (formerly Banbury Buildings Holdings) acquired in 1974. Active in the pre-fabricated building field, this has both increased its direct exports substantially—in 1975, these were worth four times as much as during London Brick's first nine months of operation of the company—and has set up a joint venture operation in Abu Dhabi to erect a plant which will produce buildings using the Banbury system of the post and panel construction. Other joint ventures are under consideration.

Bricks is one basic building material where overseas activity by U.K. companies has, at least until recently, been slight. But the same is far from true for what are perhaps the other most basic of materials, cement and concrete.

World consumption of cement has been growing very rapidly indeed. In the 20 years to 1973, it rose fourfold to reach nearly 700m. tons a year, and since then, though the recession looms, the industrialised world has hit demand in Europe and the Americas, growth elsewhere has meant that overall consumption has continued to go up.

Exports and imports play a large role: in 1973 the U.S. for example imported over 6m. tons, a sixth of the world cement trade, though, again, the recession has meant that nowadays the biggest markets are in North and West Africa, Iran, and the Gulf.

But, although there is a thriving world trade in cement, it is a bulky and expensive cargo to send by sea and can give rise to a whole host of problems once it arrives at its destination, as recent events at the port of Lagos have so clearly demonstrated. So it is not surprising that overseas manufacture has long been of major importance to the cement industry.

Control

Thus Switzerland, France and Belgium, as well as the U.K. cement manufacturers—and, most notably, Associated Portland—are all extremely active in other parts of the world. Between them, they control almost the entire Canadian cement industry and have interests in Brazil, South Africa, West Africa and the West Indies.

Quite apart from these direct interests, the European industry, again with APCM well to the fore, has also been active in selling expertise to developing countries hoping either to establish cement works or to expand considerably any cement industry they may already have.

Associated Portland's overseas activities span a large part of the globe—Australia, New Zealand, Malaysia, Singapore, Mexico, Brazil, Canada, Nigeria, Kenya, Rhodesia, South Africa and Spain, all bona fide subsidiary or associated companies of the group. In addition, its consultancy service is involved in many other areas, including the Middle East where, in association with Cementia, it recently won a five-year contract to manage the newly-built 250,000 tons a year cement factory in Sbarajin, in Morocco. The company is advising in the establishment of a 1m. tons a year cement works, while in Togo it is providing the engineering services for a cement project sponsored by the governments of Togo, the Ivory Coast and Ghana to provide an integrated industry for three countries.

If the cement industry percentages formed the basic

to be gained from overseas manufacturing operations, often through joint ventures, it also exemplifies some of the dangers involved in being an alien company active in a very basic industry indeed for the development of a Third World country.

Price controls are relatively common where cement is concerned so that, particularly in these extremely inflationary times, profitability is not always what the companies involved have been hoping for. And they can be a prelude to a State takeover, as Rugby Portland Cement found in Trinidad.

Its company there (one of its two overseas; the other is in Australia) went through over seven years in which no price rises, save one described by the company as "small and quite inadequate," were allowed by the Trinidad Government, despite inflation. It then emerged that the Government's aim was to stimulate the island's construction industry by taking the plant over, and the sale only took place last year.

Nonetheless, the ability to spread the load at a time of recession—to counter the effects of a slump in construction activity in one country, by taking advantage of growth elsewhere—more than balances the problems caused by that sort of setback. There is no sign that the companies producing abroad wish they had stayed put in the U.K. only.

Swings

Ready Mixed Concrete, for example, displays this swings and roundabouts effect to the full. Its most recent interim figures, for the first half of 1976, showed considerable problems in its U.K. business, severely hit by the construction downturn, with sales down by an estimated 5 per cent. in volume terms. But in West Germany, there was a six-fold improvement in trading profits compared with the corresponding period a year before to give a total of £2.4m., with volume sales up by 15 per cent. as the result of the resurgence in housebuilding there. At the same time, trading profits from Austria, France, Israel and Ireland more than doubled to £2.3m., producing an overall result more than £1m. above the highest stock market expectations at £10m. before tax.

In addition, the company is active in Belgium, where 1975 saw it produce an operating profit for the first time, Hoog Kong, Trinidad and, most recently, Spain, where it has opened a ready mixed concrete plant in Madrid. It has, however, recently withdrawn from the Netherlands and Italy, selling its loss-making subsidiaries there for nearly £3m.

Redland is another company involved in concrete and with extensive overseas operations. Its activities span readymix, aggregates, concrete pipes, concrete roofing tiles and many other materials and components for the construction and civil engineering industries. And it too has long been concerned

Then there is Marley, best known for its roofing tiles and flooring products, with subsidiaries in West Germany, France, Austria, the Benelux states, Spain, Sweden, South Africa, Canada, Ireland, New Zealand, in a different sphere, British Plasterboard Industries has subsidiary associates in Canada, Ireland and France (where it has increased its interest in ready-mixed concrete in Saudi Arabia).

CONTINUED ON NEXT PAGE

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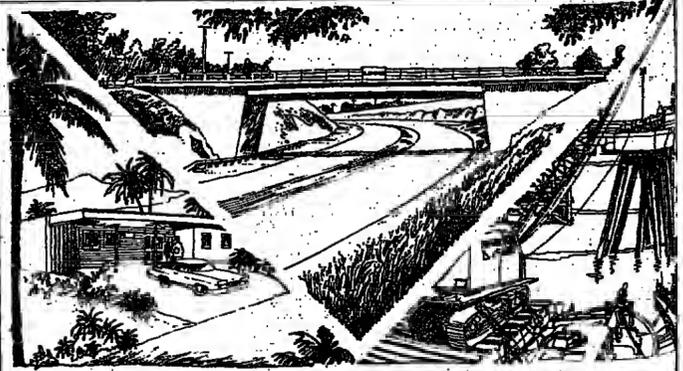
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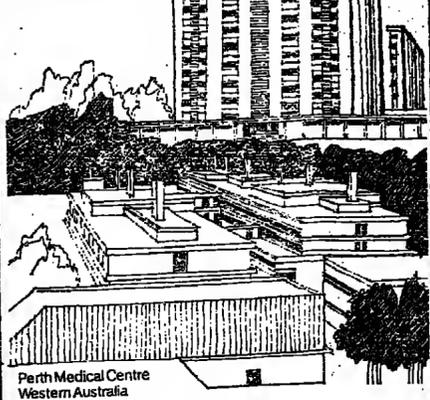


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Examining new markets

THERE IS a widespread, though not universally accepted, belief that the U.K. construction company wishing to work abroad receives far less help in obtaining overseas business than many of its potential competitors in other nations. The help it can expect, many people believe, is strictly limited and there remains enormous scope for not only improving this nation's business intelligence network but for organising a more centralised effort in order to capitalise fully on the opportunities abroad.

Government may well be open to criticism in this respect but it is clear that those in influential places have more recently come to appreciate the potential of the overseas effort now being made by the U.K. construction industries and that they require more direct assistance in their battle for foreign business.

Within the BOTB is the Overseas Projects Group, the central point to which contractors and manufacturers may look for official support in the pursuit of major contracts involving projects overseas. The Group works closely with other departments, such as the Department and the Ministry of Overseas Development. The Department of Trade itself has commercial relations and exports divisions whose job it is to create the right climate for trade in general and with particular countries.

Mr. Freeson said the Board's formation was intended to provide a "clear target" for the industry's export effort. Its terms of reference are the selection of single companies or groups of companies to pursue particular overseas construction projects and to advise Government on ways of harnessing additional resources in the industry and associated professions into the export market.

Designed

There are, it is true, numerous operations and organisations which are designed to help the exporter, though not exclusively in the construction market, as the latest Department of the Environment handbook on the subject underlines.

The British Overseas Trade Board, composed of businessmen and representatives from several Government departments, offers a wide range of services for exporters, from providing market assessments to giving information on tariffs and import regulations and help in finding local agents or representatives.

Valuable

As David Scholey puts it: "We are not another British Overseas Trade Board, Overseas Projects Group or Export Group for the Constructional Industries, all of which are playing a valuable role in the exporting effort. We are primarily here to advise and recommend to Government the best ways of tackling the problems which the existing structure in the construction industry has been unable to resolve."

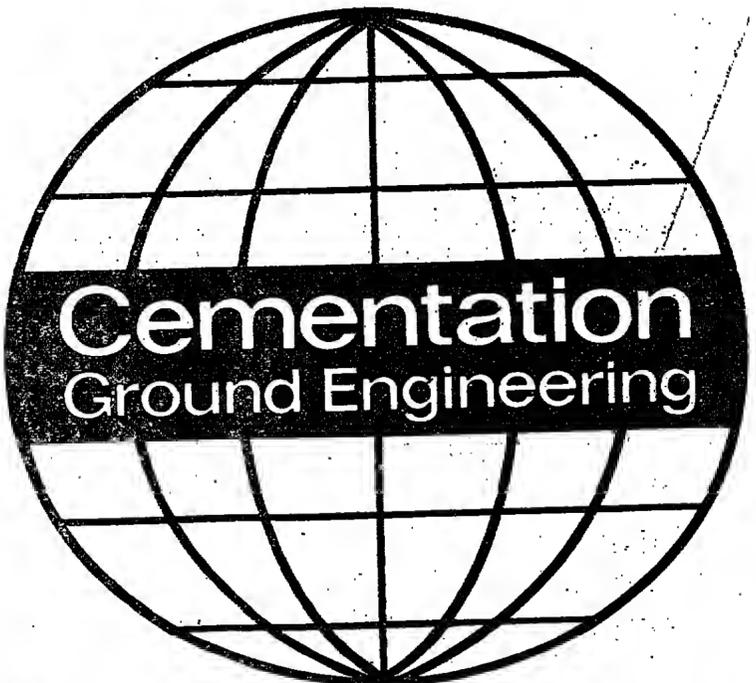
Mr. Scholey wishes the Board to provide an all-important interface between the industry and Government, helping to establish more organised channels of communication between all the parties involved. He believes the status of the Board to be very important and sees it as a catalyst for action which will be able to act as a two-way advisory group and will not have to play the traditional role of a trade promotional body with fixed interests that merely lobbies on behalf of its members.

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POLITICS TO-DAY

More persuasive leadership needed

BY DAVID WATT

David Watt

ONSENUS is a rare plant in British politics to-day— which is perhaps surprising, since so many people expend so much energy in trying to extinguish it. The risk of being denounced by the entire fraternity of commentators and politicians, however, I should like to try this week to restate one modest proposition on which reasonable servers of our present political situation could agree. This proposition is that our most urgent need is for more persuasive political leadership.

During the last 10 years this has not been a fashionable view. It has been assailed from all sides. One branch of the Left has attacked it on anti-egalitarian grounds. Political leaders and their followers have been accused of being too soon seduced by very good thinking. What is needed, therefore, was not more leadership but more workers' control, more participation in round and more decentralisation to break up the units of power on which the old leadership rested.

Another critique, even more recent, has come from the opposite direction. This has been the suggestion that Britain has become "over-governed" by Oxbridge know-nothings who have attempted to impose their own values and prescriptions on the country, and particularly on the economy. Sir Keynesian hubris has been followed by the appropriate messiahs, and everyone has been urged to recognise that intervention with market mechanisms, even (perhaps one

to seize distributional problems that it is in their long term interests to accept another round of wage restraint or another period in which traditional differentials, like those of the Leyland toolmakers, are squeezed. Once again it can only be the political leaders, whether parliamentary or trade unionist, who can do it.

On the other side, one can also sense a reaction, though it is perhaps more difficult to be sure about. As usual men's minds are swayed by the crises of the moment. This happens to be the next phase of the social contract (with the particular

66 In our western society, politicians, whatever their weaknesses, are the only individuals who are universally recognised as having a legitimate right and duty to try and persuade us.

The problem is to impart as much legitimacy as possible to what politicians do and say.

problem of British Leyland very powerful terms what was going on in Scotland; there was not even more than a half-hearted attempt to rally support in Scotland behind the particular proposals that were chosen. The difficulty was not that the politicians failed to listen to the voice of the people. There were endless discussions, soundings and constitutional confabulations. The difficulty was that these revealed, not surprisingly, a clash of interests for the politicians to resolve— preferably by persuasion and example. And

and then "selling" it all round. Until this is done, it is pointless to try to short-circuit the process by means of a referendum, for that will only reflect the clash of interests once again.

Of course there are other lines of approach to our problems than the two mentioned here— some of them raising fundamental and perhaps even insoluble problems. Is it true, as many political scientists have been saying for some time, that socio-economic factors have produced a crisis of expectation which threatens liberal democracy with extinction? Is

in our western society, politicians, whatever their weaknesses, are the only individuals who are universally recognised as having a legitimate right and duty to try to persuade us.

What we should be looking for, therefore, is not some method of dispensing with politicians or by-passing them by the application of direct plebiscitary methods to decision-making in politics and industry. The problem is to impart as much legitimacy as possible to what politicians do and say. It seems to me that we have not thought clearly or hard enough about this and that some of the solutions to our present problems which are proposed are either irrelevant or positively harmful to this end. Contrary to some constitutionalists for example, I cannot see that a Bill of Rights or a written constitution would be as all profitable for it would hand over to the Courts a mediating function which ought to belong to the political process. It is arguable, again, that a politician elected by proportional representation of some kind will carry more conviction than a politician or group of politicians elected by the present method— but I rather doubt it.

What matters is that the political system should be as open and flexible as possible and that it should appear to be so. Very little of that can be said to apply to-day— for which three main defects can be blamed.

First there is the extremely closed and arbitrary nature of the party system— which hinders a politician to a narrow-minded group of supporters and

gives him, in most cases, virtual security of tenure thereafter. The normal way proposed for breaking this carapace open is to try to destroy the existing parties— or at any rate the Labour Party— by some means or other. But this course faces the well-known objection that the parties usefully canalise interests which might be driven to extra-parliamentary pressure and action if the party route was closed. An alternative approach therefore suggests itself—that is, to open up wider possibilities for the individual politician at constituency level.

If, for instance, an MP knew that he had to re-submit himself every five years for selection by all registered Labour voters in his constituency or by all members of his local party; and if it were taken, as a matter of course, that it was natural to challenge him in this "primary" election as to challenge an American Congressman, a number of things might follow. First, he would be obliged to try and widen his party support as much as possible, bringing in new members, in order to be sure of not being displaced by a small clique. Second, he would tend to be less set in his ways and more likely to be a one-of-two-term man. Third, having got to Westminster, he would be in a stronger position vis à vis his party leaders—not in the sense that he would be less easy to remove, but in the psychological sense that he would have a broader base within the party. Another beneficial fall-out from this kind of innovation might be its effect upon the constituency representation of the Labour Party conference. If the conference was more representative there would be

far less objection to its nominal influence on the party programme, indeed it might even be an asset. Equally, I hold the heretical view that a genuinely representative conference would have some claim to a partial role in the election of the party leader. The other two major defects of the present system are old stories. One is the question of parliamentary control of the executive. In spite of all the difficulties and objections it is becoming obvious to all but the most entrenched traditionalists that we must move to a more effective committee system at Westminster and give individual MPs the resources to make it function properly. The other problem is the matter of open Government. Our senior politicians and bureaucrats are still deeply imbued with the spirit of secrecy— partly for secrecy's sake and partly because business is easier to push through. Until we have some further progress on this front, legitimacy and credibility will inevitably be clouded.

In conclusion, I must admit that this outburst has been prompted by a weekend discussing the problems of electoral politics with some visiting American politicians. It is a well-known trap, of course, to suppose that one can transport political systems across the oceans or that experiences which appear comparable are so in reality. All the same, after making every allowance for the deep differences in our traditions, I came away depressed by the limited possibilities and inflexible assumptions of our own system at present compared with the openness, vitality, and responsiveness of their.

Planning and mortgages

ON Mr. F. W. Widdie. Sir—There are occasions when Commons wastes considerable time with Bills which are ended upon the most appalling ignorance. The Bill to rationalise the building societies is one such.

It is stated that there are over 10 societies in the country and many of them are inefficient. It could be recognised that the number is reducing as smaller ones are taken over and that "High Street" competitors do to a more efficient service. Building societies are not making and attract funds from people who are satisfied in a modest return, being content that their money is safe. The same confidence enjoyed local and central government? This money is then lent to borrowers at a rate far below the market borrowing rates quite often below the rate charged by local authorities when they have funds to lend. Organisations are run on a 10-15 per cent—2 per cent local authorities, national industries or indeed charities as efficient as they are. Now turn to the question of inner areas. As a valuer being carried out against our own tell Mr. Ryman (February 20) that he is harking up the tree. Societies are legally required to obtain a report from a valuer and it is the valuer who is responsible for the evidence in an area due to local planning authority. I would like to see when I would have a valuer in such a position regarding them as not offering table security for a long term by the council. I would also refer Mr. Ryman to the Housing (Slum Clearance) Act 1963, which clearly enables the mortgagee to be satisfied if the Council tells it it was imprudent to have it in the first place. A wonderful incentive to lend in inner areas! If Parliament really wants to help I would suggest a form of local authority amnesty which would free societies allocate a reasonable amount for loans in these areas if any losses are covered. I do not forget it is the time buyers of the cheaper properties including a back-to-back which are the basis of the building industry. B. Wardle, Wason and Walton, Greek Street, Leeds.

Chile and Peru

FROM THE CULTURAL ATTACHE, Chilean Embassy, London. Sir—At a time when British public opinion must be preoccupied with real European and world problems, Hugh O'Shaughnessy's February 25) once again gives vent to his imagination and states that armed conflict is about to break out between Chile and Peru. The title and conclusion of the article, however, detract from all he says when he admits that neither country wishes nor can finance a war. Why, then, write the article? Should we perhaps think he has allowed himself, voluntarily or involuntarily, to become involved in the campaign that is being carried out against our own tell Mr. Ryman (February 20) that he is harking up the tree. Societies are legally required to obtain a report from a valuer and it is the valuer who is responsible for the evidence in an area due to local planning authority. I would like to see when I would have a valuer in such a position regarding them as not offering table security for a long term by the council. I would also refer Mr. Ryman to the Housing (Slum Clearance) Act 1963, which clearly enables the mortgagee to be satisfied if the Council tells it it was imprudent to have it in the first place. A wonderful incentive to lend in inner areas! If Parliament really wants to help I would suggest a form of local authority amnesty which would free societies allocate a reasonable amount for loans in these areas if any losses are covered. I do not forget it is the time buyers of the cheaper properties including a back-to-back which are the basis of the building industry. B. Wardle, Wason and Walton, Greek Street, Leeds.

Choice of reactor

FROM Mr. E. Derry, Greenacre, Shelvingthorpe, Lincoln. Sir—It is sad to see in your correspondence columns (February 22) a mis of Sir Alan Cottrell's eminence falling into the trap of expressing opinions on subjects where his information is incomplete. The main points I would like to raise with you are as follows: The choice is not between the steam generating heavywater reactor/Candu and others. The choice is between SGHWR and others. SGHWR is not a high capital cost, etc. is not under consideration. Therefore, it is inaccurate to speak generally of pressure-tube reactors as being more economic in the consumption of uranium fuel. In fact, SGHWR consumes more fuel per megawatt output than the advanced gas-cooled reactor. Both water reactor or pressurised light-water reactor. Neither Candu nor SGHWR are fairly readily developed into thermal breeder systems. Apart from the problems of technical feasibility, undoubtedly the economics are likely to prove prohibitive. To state that PWR is a new type, similar in that respect to SGHWR is completely misleading. The PWR is without doubt the most universally adopted thermal reactor system in the world and much more information is known about it, its difficulties and problems, its performance, etc. than any other system. In terms of development, I think one should recognise there is also potential for uncovering technological and economic problems not foreseen in the early stages of development of a reactor system. All reactors to date have found this to be so. The only system which is being exported in significant numbers is the PWR. I think the resignation on medical grounds of one member of the PWR I think mission put an end to the idea of Fair Trading to replace are seeking experts are more likely to have a knowledgeable view of potential opportunities and problems in fact perhaps the two thirds rule than those fulfilling an academic role. The fact that others are

Letters to the Editor

already to this "horse race" does mean that the only way we can succeed is to get on a campaign. Undoubtedly, it will be difficult and hard work for the U.K. to win exports in this field because we are a late starter, but it is in truth the only real market where we can hope to win exports. Indeed, what small success that we are having in this field. A domestic PWR programme would substantially improve possibilities. Why is it that the possibility of some serious accident occurring to PWR is greater than on some less well developed system? Surely the PWR has been subjected to more international examination and criticism than any other reactor system that Sir Alan Cottrell seems to favour. Therefore, on this count, there is less likely to be a hazard. It is misleading to represent the SGHWR exclusively as a tube reactor. It has two pressure vessels (steam drums) whose integrity is as vital as the reactor. They are of comparable size (85 feet long by 12 feet diameter). Admittedly, they are thinner in wall section and are not subject to radiation. They are, however, extremely complex vessels, having a large number of nozzles (about 50) which are major features where care is required, and the SGHWR is much more difficult (the PWR vessel has eight major nozzles). It is totally misleading to represent SGHWR as a reactor which avoids the problem of expiring pressure vessels are made of high integrity. Cottrell cannot be unaware that the SGHWR requires such vessels. E. Derry, Greenacre, Shelvingthorpe, Lincoln.

In defence of managers

FROM Mr. B. Lewis. Sir—I am increasingly aware of the accusation (faithfully recorded by journalists) from academics and politicians (many trained at Oxford University) that I and my fellow managers are intellectually substandard because for a long time Sir Alan Cottrell cannot be unaware that the SGHWR requires such vessels. E. Derry, Greenacre, Shelvingthorpe, Lincoln.

Hypocrisy over butter

FROM Mr. L. Littman. Sir—There may be a problem over the disposal of Common Market butter, but it hardly becomes British politicians to make political capital out of it. Without New Zealand butter imports there would be no surplus, and but for the concession Britain won for New Zealand from the Common Market, there would be no New Zealand imports. Other Common Market countries may have good reason to complain about the expensive subsidy given to Russia to buy 36,000 tons of surplus butter. But it becomes Britain, which is responsible for the import of at least 120,000 tons of New Zealand butter last year, to do so. R. T. S. Littman, Reform Club, Pall Mall, S.W.1.

Women and crime

FROM Malinda Coleman. Sir—James McDonald's article "Women are committing more crime" (February 25) should have contained the statistics to support this contention. Headlines and lead sentences denigrating the female sex and the women's movement are inflammatory, and can often be misleading unless supported by fact. Malinda Coleman, Boulevard Brand Whitlock 151, 1040 Brussels.

To-day's Events

GENERAL Anglo-U.S. air agreement talks continue. London. European talks continue. London. Assembly of Western European Union two-day symposium on co-operation in European armaments ends. Paris. Japan and China hold bilateral trade talks. Tokyo. Mr. Anthony Wedgwood Benn, Energy Secretary, speaks at Rhondda Labour Party annual dinner. Mr. Peter Shore, Environment Secretary, addresses Woolwich Labour Party annual meeting. Sir Robin Gillett, Lord Mayor of London, receives Parliamentary delegation from Senegal, Mansion House. Last day of International Men's and Boy's Wear Exhibition, Earl's Court.

PARLIAMENTARY BUSINESS

House of Commons: Private Members' Bills. Mr. Roger Sims (Con., Chislehurst) seeks to introduce a Bill controlling smoking in places of public entertainment. COMPANY RESULTS Johnson and Firth Brown (half-year), Midland Bank (full year). COMPANY MEETINGS Bamford. The Racecourse, Uttoxeter, 11. Bett Brothers, Dundee, 12. EXHIBITIONS Products chosen as souvenirs of the Queen's Silver Jubilee. Venue: Design Centre, 28, Haymarket, S.W.1, end Scottish market.

THEATRE

Design Centre, 28, St. Vincent Street, Glasgow, G2 (ending to-morrow). British Stamps and Postal History, Gibbons Gallery, 289, Strand, W.C.2 (until March 31). Books, drawings and papers of J. R. Tolkien, National Book League, 7, Albemarle Street, W.1 (until April 7). OPERA Royal Opera production of Otello, Covent Garden, W.C.2, 7 p.m. English National Opera perform Die Fledermaus, Coliseum Theatre, W.C.2, 7.30 p.m. THEATRE National Theatre's Cottesloe

1976 WORLD CHAMPIONSHIP MANUFACTURES

1976 WORLD CHAMPIONSHIP MANUFACTURES



PORSCHE'S NEW PORSCHE the 924

All you'd expect of a PORSCHE — except the price!

The Porsche is renowned for its quality, attention to detail and Long-Life ideals. The 924 is an up-to-date 3-door, 2+2 seater coupé, designed for low maintenance cost and long life—12,000-mile intervals between inspection services—6 year warranty against sub-frame corrosion—25-30 m.p.g. under normal road use. ('Autocar' obtained an overall test consumption of 27.8 m.p.g.) Maximum speed 125 m.p.h. with acceleration to match, 0-60 m.p.h. 8.2 secs. ('Motor' Road Test.) The large luggage compartment is easily accessible, and full loads do not upset the 50/50 weight distribution—the secret of this car's safe and precise handling. Although of definite sporting character it is both docile and easy to drive. Fully automatic is also available as an optional extra. The 924 upholds the Porsche traditions of providing pure driving pleasure for those who seek it and can now afford it.

The price? 924 four-speed £6,998.94, 924 Automatic £7,449.39, 924 "Celebration" £7,672.86. (Prices do not include number plating or delivery charge which are at the discretion of the dealer).

An informative brochure is available giving full details of the Porsche advantages — please mention Financial Times to ensure your copy.

PORSCHE CARS GREAT BRITAIN LTD, RICHFIELD AVENUE, READING, RG1 8PH Telephone: 0734-595411 Export: 01-568 8700 Telex: 849180

Morris and Babcock

MR. W. M. Meekins. Sir—The treatment of Herbert in the Babcock takeover (Mr. C. Wyatt March 1, and March 2) appears to have been ungenerous to say the least. Both management and unions were required to give their consent to the takeover. The findings of the Monopolies Commission (a somewhat unusual request in itself) Babcock was not required to think of the same undertaking. The intended parties were not informed that the two-thirds rule would be invoked and indeed stages of development of a reactor system is precedent in the Lloyd's case (6:4) for not so.

The resignation on medical grounds of one member of the PWR I think mission put an end to the idea of Fair Trading to replace are seeking experts are more likely to have a knowledgeable view of potential opportunities and problems in fact perhaps the two thirds rule than those fulfilling an academic role. The fact that others are

think one should recognise there is also potential for uncovering technological and economic problems not foreseen in the early stages of development of a reactor system. All reactors to date have found this to be so. The only system which is being exported in significant numbers is the PWR. I think the resignation on medical grounds of one member of the PWR I think mission put an end to the idea of Fair Trading to replace are seeking experts are more likely to have a knowledgeable view of potential opportunities and problems in fact perhaps the two thirds rule than those fulfilling an academic role. The fact that others are

COMPANY NEWS + COMMENT

Peak profit expected by AAH this year

INTEREST charges at AAH increased from £419,000 to £615,000 for the nine months ended December 31, 1976, but pre-tax profit improved from £2.96m to £3.53m.

Mr. W. M. Pybus, the chairman, says that profit for the full year will probably not maintain the percentage advance shown after nine months but they will all be higher than last year's profit of £4.78m. He remains confident in the strength of the company and the quality of its earnings have never been better.

The net interim dividend is lifted from 4.35p to 5p. Last year's final was 4.72p.

The group distributes fuel supplies, builders' requirements and pharmaceutical products.

HIGHLIGHTS

EMI has turned in interim profits some 24 per cent higher with a very strong performance in music but slightly disappointing figures from electronics. Vantona has also performed well with full profits some 50 per cent higher and the current year has started equally strong. Completing the Lex column is Racal which has made its expected rights issue; the terms of one-for-eight at 240p mean that the company is raising £14.7m. On the face of it, profits at AAH for the first nine months look encouraging with a jump of 39 per cent, but the bulk of this is attributable to the acquisition and the benefits of the rights issue. Crane Fruehauf has had a better second half than expected thanks to a late build-up in demand, while British Vita has continued to show a strong recovery in the latter six months. On the issue front the Fife Corporation issue was oversubscribed to the tune of at least 40 times.

The equity of the Yorkshire Bank is owned by four of the major clearing banks.

Crane Fruehauf pays 2.15p

The profit forecast of not less than £1.4m at Crane Fruehauf has been achieved with a pre-tax profit of £1.55m for the 38 weeks to January 1, 1977, compared with the much depressed £0.1m in the previous year.

At half-year profit amounted to £0.41m, against a loss of £0.3m. Turnover for the year was £40m higher at £47.66m, reflecting the recovery in U.K. commercial vehicle markets and a further increase in exports to £10.25m (£7.78m).

The profit forecast was made last November in a letter to shareholders by the U.K. directors advising them to reject a bid from the Fruehauf Corporation of America, for the shares on already owned. The bid applied for approval of the Government decided to refer it to the monopolies commission.

Following the bid, the U.K. directors obtained Treasury permission to increase dividends over the normal limit. So final dividend is now stepped up from 0.637p to 1.65p, raising the net total from 0.887p to 2.15p per 10p share; earnings per share are 4.04p (loss 1.3p).



Sir John Read, chairman of EMI, which yesterday announced a jump of 24 per cent to £36.7m in profits for the first half of 1976-77.

ISSUE NEWS

Racal £14.7m. rights and forecasts £32m

The expected rights issue from Racal Electronics emerged yesterday on the basis of one-for-eight at 240p each to raise £14.7m. The company also forecasts profits of £22m for the current year to March 1977, and its intention to raise the dividend level to 7.79p per share in the year to March 1978. The share closed 22p higher at 95p in the market.

Hill Samuel has underwritten the rights issue of 6,236,857 shares which will also be offered to holders of the 6 per cent Convertible Unsecured Loan stock of £200,000 on the basis of 147 new Ordinary 25p shares for every £200 of stock.

Last December, when reporting a 85 per cent jump in interim profits to £11.52m (£10.65m) of Racal forecasts £28m (£19.65m) for the full year. Now this forecast has increased to £32m, indicating that the company is heavily oversubscribed over 40 times.

The basis of allotment applications for up to 40p per share will be £2,000 of stock, plus 40p per cent of that figure received in the interim dividend of £100,000.

FIFE ISSUE OVER-SUBSCRIBED

The issue of £10m of 10 per cent Redeemable Stock, £8.84 per cent by Fife Corporation, closed yesterday in the market at 105p, indicating that the issue is heavily oversubscribed over 40 times.

The basis of allotment applications for up to 40p per share will be £2,000 of stock, plus 40p per cent of that figure received in the interim dividend of £100,000.

BTR DEALINGS

Dealings in the new BTR offered by way of closed tender yesterday with standing at a 53p premium for the year ending March 31, 1977.

Giving its reasons for the rights issue the directors state that the acquisition of Milco has been financed to a medium-term term by advanced currency facilities of £47.4m. The total cost of the Milco acquisition will be £64.1m (£57.7m) and the difference has been met for from Racal's own cash resources. The finance will be funded by further currency borrowings.

The borrowings already taken and consolidation of borrowings have resulted in a significant increase in group debt so the Board decided that a rights issue was necessary to provide for further development.

Brokers to the issue are: See Lex

Turnover	1976	1975
Profit	1,759	1,241
Tax	193	241
Minority interest	1,566	999
Attributable to shareholders	1,373	758

Mr. Pybus reports that chemists made a satisfactory contribution and continued its steady progress. As a result principally of the long hot summer, solid fuel and food oils trading profits were inevitably reduced being 12.7 per cent and 25.1 per cent respectively than those of the previous year. Competition from other fuels and price resistance also contributed to these reductions. In addition, in the second period, fuel oil benefited from substantial stock profits.

Engineering made a considerably increased contribution and builders' supplies maintained broadly the same level of contribution as the previous year. Road haulage suffered a slight reduction in trading profits but the net of the group's fleets has been adjusted to meet changed circumstances and this activity is now on a sound basis, able to respond to any improved trading conditions.

Agricultural supplies and services maintained virtually the same level of profits as the previous year and there was some reduction in the contribution of the smaller miscellaneous activities.

The year end projections indicate that the last quarter will not produce the same proportion of profit as it has in past years. The progressive diversification of the sources of the company's profits has spread them more evenly over the financial year. Only solid fuel and fuel oil profits traditionally being earned substantially in the last quarter. Other factors are: the burden of financing fuel stocks is heaviest in the final quarter and increased prices combined with very high interest rates will aggravate the effect this year; flooding in England and severe weather conditions in Scotland are

Yorkshire Bank advances

The dividend is lifted to 3.27p per 25p share with a final of 2.14p, compared with a total of 3.051p adjusted for scrip issue. A free scrip issue of two-for-three is proposed.

Turnover for the year was £2,06m against £2,04m, and profit retained was £129,300 (£112,284) after tax of £166,988 (£113,400). The directors state that the substantial determination of the liability will result from capital allowances and stock relief.

The balance-sheet at the year end showed that total resources rose from £340m to £383m, with customer deposits up by some £33m. Advances increased from £149m to £158m. The growth in deposits enabled the bank to maintain a high level of liquidity with 28 per cent of resources being held in cash and short term funds.

During the year the bank made a one-for-three scrip issue and capital and reserves now amount to £40m which is about 11 per cent of deposits.

Boosted by new openings the number of current accounts handled continued to increase, and over the past four years the growth rate has been around 30 per cent. One new branch in Northampton has already been opened this year and there are plans for at least another three.

Fife Forge up-scrip proposed

AFTER AN advance at half-time from £109,270 to £142,149, pre-tax profit of Fife Forge Company for 1976 improved from £217,301 to £337,450.

The directors intend to continue to restructure the rest of the group's activities during the year. Further substantial growth has been achieved in the process of extending its operations directly or indirectly into Egypt, Iran, Japan and New Zealand, the chairman reports.

Feedex boosts engineering exports

Increase of 800 per cent in exports are reported by the agricultural machinery companies in the Feedex group—John R. Taylor and Rowlands (Engineering). Taylor's exports last year rose six-fold over 1975 with sales of ball and stock handling machinery, stock feeders and yard scrapers to new export markets in Denmark, Saudi Arabia, Spain, Libya, Costa Rica, Australia, and African and Common Market countries.

Rowlands has won export orders worth £400,000 since the Smithfield show, for customers in Africa, Arab countries, Common Market and other European countries.

Agricultural engineering now accounts for a substantial part of the profits of the Feedex group, which also produces animal and poultry husbandry machines, and is the country's biggest pig-producing consortium.

U.K. swing lifts British Vita to record £4m.—scrip

ANNOUNCING a proposed one-for-one scrip issue, the directors of British Vita Co., the plastics and rubber group, report a 73 per cent advance in pre-tax profit to a record £4,021,000 in the year 1976.

At the trading level, U.K. profit—after exceptional debits of £23,000 (£330,000)—was £429,000, compared with a loss of £569,000. Overseas profit dropped slightly from £1,053,000 to £966,000.

Share of profit of associates advanced from £2,299,000 to £2,084,000.

Slated earnings per 25p share are up from 18.1p to 27.8p—in excess of the nominal value of each share was generated outside the U.K.

At the interim stage pre-tax profit was up by 150 per cent to £1,500m.

Dividend total goes up from 3.45p to 3.52p with a net final up from 1.79p to 1.95p a share. The directors say they are proposing the scrip issue as it equates more nearly the capital with shareholders' funds retained in the business to support the company's activities.

Chairman Mr. N. Grimshaw says results from U.K. operations show continued improvement towards results following the major restructuring of its manufacturing

Midway rise from Prestwich Parker

Profit of Prestwich Parker—manufacturers of bolts and nuts—increased from £139,775 to £151,775 in the half-year to end December, 1976 before tax of £79,371 compared with £72,683. And the net interim dividend is 0.8125p (same)—last year's final was 2.1875p and profits £380,553.

Stated earnings per 20p share increased to 3.5p against 2p. But for revaluation of assets on December 31, 1976, the dividend would have been 15.5p (12.25p).

The dividend total is stepped up to 2.92p (2.07p) net with a final of 1.67p (1.467p).

Bates Oil to drill six wells in U.S.

Plans are announced by Oil Exploration (Holdings) for its subsidiary, Bates Oil Corporation, to drill six wells in the U.S. during the first half of 1977.

Programmes recently agreed between Bates and other parties include the drilling of six wells in Texas, Oklahoma, Kansas and Louisiana and recompletion operations at 18 existing wells in the same area. This cost will be met from cash flow. Activity in the second half of the year is expected to remain at the same level.

Results of the first drilling would be available within the next ten days. Production arising from wells drilled can be sold immediately through Bates existing production and marketing facilities.

Mears Bros. progress

At the annual meeting of Mears Bros. Holdings, Mr. A. K. Stephenson, chairman said the company had achieved some 85 per cent of its target turnover for this year and already has a continuity of profit amounting to a total over £1.1m in 1976 and 1975.

Commenting on the plans for the continuous strengthening of the efficiency of operations, he spoke of recent decision to relocate the headquarters from London to Swindon, and to bring into the new head office certain essential functions.

The Nottingham Manufacturing Company, Limited

Salient points from the Statement by the Chairman as circulated with the Report and Accounts for the year ended 31st December, 1976.

Comparative results	1976	1975
Turnover	£000	£000
Exports	104,141	87,212
Trading Profit before Depreciation	13,117	10,013
Depreciation	2,962	2,585
Investment Income	1,828	1,324
Profit before Taxation	11,268	8,024
Profit after Taxation	5,476	3,947
Dividends per Share	2.9043p	2.6403p
Earnings per Share	10.56p	7.62p

Thos. Walker tops £100,000 at halfway

Makers of metal smallwares for clothing and allied trades, Thomas Walker, increased its profit from £72,117 to £103,409 in the half year to end December, 1976, before tax of £46,223, compared with £32,728. Turnover was £796,288, against £634,239.

Stated earnings rose from 0.65p to 0.95p per 5p share and the net interim dividend is held at 0.1675p—last year's total was 0.735p and profits £187,563.

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Provincial lends £56.7m. more

Mortgage advances by the Provincial Building Society increased from £12.56m to £19.27m in 1976, before tax of £5,223, compared with £3,728. Turnover was £796,288, against £634,239.

Stated earnings rose from 0.65p to 0.95p per 5p share and the net interim dividend is held at 0.1675p—last year's total was 0.735p and profits £187,563.

Export sales increased by 62%—further significant progress anticipated in 1977.

With reasonable trading conditions, further progress hoped for in 1977.

UNITED TIN AREAS LIMITED INTERIM RESULTS

Half-year ended 30th September 1976	Year ended 31st March 1976	
Consolidated profit before tax	£14,470	£5,300
Tax	7,070	2,900
Profit after tax	£7,400	£2,400
Production (tonnes)	21½	25½
Tin concentrate	25½	36½

Registered Office: 25/26, City Road, London, EC1Y 1BQ. 4th March, 1977.

By Order of the Board, E. A. O'Connor, Secretary.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Current dividend	Total dividend	Total last year
AAH	5.0	Mar. 31	4.35	9.1	9.1
BCA	1.67	May 2	1.47	2.82	2.82
Bridgewater Ests.	6.58	May 2	6.02	12.53	12.53
British Vita	1.95	Apr. 15	1.88	3.48	3.48
Cableform Group	1.66	June 30	1.44	2.29	2.29
Crane Fruehauf	3.41	June 30	2.15	5.56	5.56
Fife Forge	2.14	Apr. 29	2.02	3.27	3.27
Mitchell Cotts Trans.	1.18	Apr. 22	1.18	2.39	2.39
Prestretch Parker	1.01	Apr. 27	2.96	4.61	4.19
Vantona	0.17	May 7	0.17	0.73	0.73

BCA turns in £0.7m.

SAND and gravel producers, BCA achieved an increase in pre-tax profit for 1976 of £129,601 (£97,223).

After six months profit was £306,712 but the current rate of trading would continue at about the same level for the rest of the year, and they warned that margins were under pressure.

In the event the trading volume was as expected, but further economies, especially the closure of the Hilton office, resulted in the higher second half profit.

The directors say that they expect the volume of trade in 1977 to show a further fall, and that the year had started "inauspiciously" with excessive wet weather adversely affecting both deliveries and production.

Stated earnings per 20p share increased to 3.5p against 2p. But for revaluation of assets on December 31, 1976, the dividend would have been 15.5p (12.25p).

The dividend total is stepped up to 2.92p (2.07p) net with a final of 1.67p (1.467p).

AMEV Life's new plan

AMEV Life Assurance, the U.K. subsidiary of NY-AMEV of the Netherlands, has introduced a Pension Retirement Plan for the self-employed and those in non-pensionable employment. Designed for the broker market, the minimum annual premium is £100.

The pension fund is a gross management fund which enjoys a 5 per cent accumulation of capital and income. It is under the day-to-day management of Bankers Trust Company. The investment emphasis will initially be on gilts and fixed interest securities.

Britannic Asse. lifts bonus

The Britannic Assurance Company is increasing the reversionary bonus rate for 1976 on ordinary contracts to 42.50 per cent of the sum assured from 40.00 per cent in 1975. The bonus rate on with-profit annuities is improved to 44.50 per cent of the basic annuity at pension age from 42.50 per cent. The terminal bonus rates paid on death or maturity claims are fixed at a scale ranging from 5 per cent to 40 per cent, while the terminal bonus paid on annuity contracts is lifted to 30 per cent of the annuity and bonus additions from 25 per cent previously.

On British branch policies, a total reversionary bonus assured of £3.50 per cent of the sum assured (£2.50) is declared together with an additional bonus added on death or maturity claims, providing at least 15 years premiums have been paid, which will ensure that the total bonuses paid will be at least 651 per £100 sum assured.

CATHOLIC LOANS HOME LOANS PERMANENT

Home loans granted by the Catholic Building Society in 1976 were 33 per cent higher at 26,445,939.

Savings invested by the public reached £1,02m, compared with £9,93m, and savings repaid totalled £0.61m (£1,52m). Assets increased by 19.5 per cent to £2,64m. Liquid funds amounted to £0.49m.

In 1976 the Society continued to give maximum priority and assistance to young couples and families buying a house of their own for the first time. In addition, 23 per cent of home loans went to women applicants, 40 per cent of home loans were to people earning £3,000 yearly or less, and 30 per cent went to first-time purchasers, compared with 15 per cent and 48 per cent respectively of home loans made by all building societies in 1976.

In 1977 the Society's Assets will pass £5m, and it hopes to make over 100 home loans, lending £750,000.

Booker offers shares in Stephens and Ross

Booker McConnell is offering a second amount of stock in its subsidiary Stephens and Ross, to the public of Trinidad and Tobago. The offer is of 1.55m shares at a price of TTS2.6, which consists of 1m new units and 550,000 units presently owned by Booker.

The first offering to the local public was in 1973 when Booker McConnell sold 1m stock units at the par value of \$1 each, which represented a quarter of the capital. If this second offering is completely taken up the public ownership of Stephens and Ross, August, this was 51 per cent. The Corporation of Stephens and Ross has been established in the area for 120 years and operates three main trading divisions: department stores, retail pharmaceuticals and wholesale and manufacturers' representatives. Results of the year ending December 31, 1976 were announced in January. These show

More products for Andre Silentbloc

The widening and improvement of the product range continues reports Mr. C. P. Whitthorn, chairman of Andre Silentbloc, in his annual statement.

Since the year-end the company has increased its ability to make hydraulic equipment by the purchase of Engineers' Sutton. In addition the company has increased its own ability to make and maintain mould and tool making equipment.

As known, pre-tax profit for the year ended October 3, 1976, 10.50 a.m.

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Mitchell Cotts Transport Ltd
Unaudited Interim Results for the Six Months ended 31st December 1976

Turnover	£3,830	£3,996
Profit before taxation	403	384
Taxation	164	133
Profit after taxation	239	251

The profit before taxation for the six months 31st December 1976 has increased to £403 compared with £384,000 in the first half of 1975 and it is expected that profits will continue at this level during the second six months of the year ending 30th June 1977.

The increase in the effective rate of tax on compared with previous periods is attributable to reduction in the tax allowances now available to Company's warehouse properties.

An unchanged interim dividend of 1.155 per share has been declared and will be paid on April 1977 to shareholders on the register at the time of business on 25th March 1977.

J.K. Chai

MC Mitchell Cotts Transport Ltd
Cotts House, Camomile Street, EC3A 7BU. Telephone: 01-283-1284

For a copy of the interim statement please contact the Secretary.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

West German companies feel steel crisis

BY ADRIAN DICKS
THE EFFECTS of the European steel crisis made themselves felt painfully in West Germany today. Kloeckner-Werke, a major steel producer and fabricator, announced that its supervisory board had for the second year running decided to propose no dividend.

Suspect GM write-offs reported

BY JAY PALMER IN NEW YORK
U.S. JUSTICE Department and Internal Revenue Service officials conducting a criminal tax fraud investigation at General Motors have found large amounts of what they believe to be questionable write-offs by the company.

Government is conducting a criminal tax fraud investigation, the company has refused to discuss the matter other than to insist that GM has not and will not be found to have committed any illegality.

Investor group makes \$303m. offer in cash for Irvine

DETROIT
A NEWLY FORMED investor group, including Mr. Henry Ford II, entered the bidding for land-rich Irvine Company, raising the value of the offer to \$302.9m. in cash, from the best previous all-cash offer of \$282m. by Mobil Corporation.

Hershey stake in Marabou

BY WILLIAM DULLFORCE
HERSHEY FOODS Corporation of Pennsylvania has bought a 16 per cent. holding in Marabou, the Swedish chocolate and confectionery manufacturer.

Marabou had earnings of Kr44.2m. (\$4.57m.) on a share turnover last year and proposes to pay shareholders a dividend of Kr8 per share. This represents an increase of Kr0.50 over the previous year.

Overseas efforts boost TNT revenue

BY JAMES FORB
SYDNEY
THOMAS NATIONWIDE Transport international transport group, lifted earnings 39 per cent. in the December half-year from its overseas operations.

E. Asiatic upsurge

BY OUR OWN CORRESPONDENT COPENHAGEN
EAST ASIATIC Company's annual report for the 80th year, 1976 compared to Dkr314m. in the previous year.

EUROBONDS Discounts on BHP

BY TONY HAWKINS
BOTH TRANCHES of the Broken Hill Proprietary Company Eurobond issue have been priced at a discount.

and floating rate note bonds were inclined firmer on small buying interest. Activity remained at a relatively low level.

Shaheen appeal date

BY LYNDON WATKINS
HALIFAX, N.S.
A NEW DATE has been set for that owned and operated the Newfoundland Supreme Court to hear the appeal by Shaheen Natural Resources of New York against the bankruptcy order made last year against two of its subsidiaries.

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NOTICE OF GENERAL MEETING, CLOSING OF REGISTERS AND RECORD DATE FOR PROPOSED RIGHTS OFFER TO MEMBERS
Notice is hereby given that a general meeting of members of Rand Selection Corporation Limited will be held at 44 Main Street, Johannesburg on Friday March 25, 1977 at 10.30 for the following purposes:

Eurofima raising Sw.Frs.70m.
By Pauline Clark
EUROFIMA, the European railway financing organisation, is to raise Sw.Frs.70m. in the Swiss domestic bond market.

NDU growth
By Michael Van Os
AMSTERDAM, March 3.
NEDERLANDSE DAGBLAD-DUNIE (NDU), a major Dutch publishing company whose daily newspapers and regional papers include Algemeen Dagblad and NRC-Handelsblad, reported a major profit growth and increased dividend for 1976.

BRAZILIAN INVESTMENTS S.A.
Net Asset Value per Depository Share as of 28th February 1977
U.S.\$8.82

Market re-opens cautiously
BY DIANA SMITH
THE LISBON Stock Exchange resumed trading in company shares this week for the first time in almost three years.

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INTERNATIONAL AND COMPANY NEWS

Dividend restraint worry at Societe Generale

BY DAVID SUGHAN BRUSSELS, March 3. LATEST Belgian government moves to reduce the public ownership requirement...

JAPANESE COMPANIES

Scrip issues and higher dividend ahead from Nissan

TOKYO, March 3. NISSAN MOTOR maintains its expected domestic sales, while the profit rise reflects partly increased sales of high grade cars...

BANK OF AMERICA World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, March 2.

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries like Australia, Canada, France, etc.

SS-DEVELOPED COUNTRIES

Better flows of information

BY MARY CAMPBELL CERN about commercial exposure to less developed countries (LDCs) expressed by last week by Mr. Arthur...

Teikoku profits rise

TEIKOKU OIL COMPANY reported that its net profit for the year ended December 31 rose by 54.8 per cent...

All the securities having been sold, this announcement appears as a matter of record only.

Denmark plans bond tax

OUR OWN CORRESPONDENT COPENHAGEN, March 3. DENMARK'S SOCIAL Democratic Government has decided to introduce a coupon tax...

5,000,000 Shares General Telephone & Electronics Corporation Common Stock

Dean Witter & Co. Bache Halsey Stuart Inc. The First Boston Corporation. Blyth Eastman Dillon & Co. Dillon, Read & Co. Inc.

SELECTED EURODOLLAR BOND PRICES

Table with columns: Bond Name, Price. Lists various Eurodollar bonds like GHTS, BNP, etc.

Advertisement for Paine, Webber, Jackson & Curtis, listing various financial services and company names.

The Property Market

BY QUENTIN GUIRDHAM

NatWest's property sums

The National Westminster Bank, like Barclays, has revalued its premises. This follows what calls more definite indications of property values which became evident, particularly in the second half of 1976. Those indications have led to a number of further provisions on property revaluation.

Comparisons between the two internally conducted valuations are not possible, since Barclays had previously valued as long ago as 1969, while National Westminster had written up its values in 1973. That might alone be sufficient to explain why the Barclays exercise has produced a surplus of £57m, and National Westminster a reduction of £50m.

In addition, National Westminster is the clearer most heavily committed to business in the City of London and hence large premises there, and that is the area where the more startling readjustments to 1973 values would be necessary.

Explaining its preliminary figures, the bank said that the £50m. write-down referred to London premises.

The £50m. will come off the revaluation surplus which had been showing £235m. on the bank's freehold properties. The total for freeholds in last year's accounts was £337m. at the 1973 valuation, plus £55.5m. for additions since then at cost on the bank's properties and a further £19.5m. at cost on recent group additions (the group taking in

operations like International Westminster Bank and Lombard North Central). National Westminster's accounting policy since 1973 has been to provide a 1 per cent a year straight-line depreciation on its freeholds and with this, plus its £50m. down valuation, it now reckons that overall bank and market values should balance.

Neither the 1975 figures above nor the write-down cover developments. Three of these, all in London and with widely different histories, account for around £100m. of the bank's £180m. of current capital commitments. They are the Bishopsgate tower development, where there have been delays from both planning and the difficulty of the design (£100 a square foot building cost); the Courts redevelopment in the Strand, made costly by the conservation of the "peppercorn" corners; and the Leman Street computer centre, which appears to be a model development programme with benefits anticipated getting 420,000 square feet net of debit and credit clearing operations in credit by next year.

It will not be in the tower by then, not till the spring of 1979. The time taken on the building, which got its outline planning permission under the National Provincial in 1964, with demolition work starting in 1970 and construction the following year, is one element not taken into costs given this week—£72m. for the tower, before land costs and professional fees, equivalent after the bank's capital allowances, to £54m. net. Even with the net area of 314,000 square feet being but half the gross, a case can be made on a

No frozen rents for MEPC

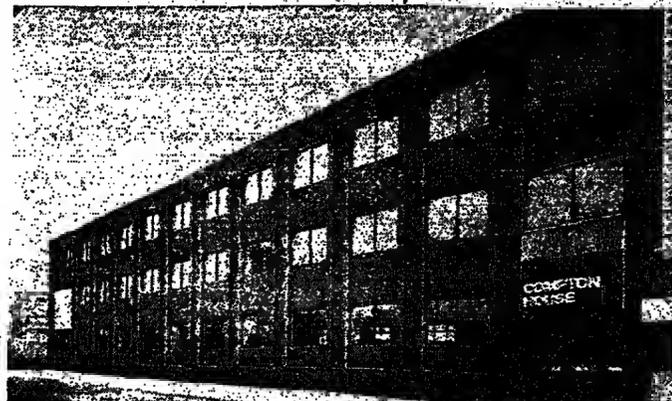
So there is to be no joy for MEPC and several other property companies, from the bright legal theory that the government, as a tenant, was not entitled to take advantage of the rent freeze. The cases MEPC had taken through the courts concerned offices at Keysign House, Oxford Street, London, where the rent was rising from £39,690 to £369,500 a year and in North Audley Street, where the new rent agreed, but caught in the freeze, was £190,000 against £17,500. With these and other similar cases—the company seems to have been particularly untimely in the timing of its reviews on old government leases—MEPC might have had a windfall of £2m. Estimates for what other property companies would have gained vary widely. Perhaps about £10m. in all was held out no high hopes.

The Court of Appeal had found so strongly for MEPC that it only gave Whitehall permission to take the case to the Lords on condition that it pay the costs of both parties in the High Court and Court of Appeal, and pay its own costs, whatever the result, in the Lords.

The Lords have found, four-to-one, in favour of the Government, the Appeal Court having been three-to-one the other way. MEPC's consolation for getting the lawyers to make up their minds is that it only has to stand the costs of its own Lords appearance.

The main legal argument centred on whether the Crown and the Government can be regarded as the same thing, a point which might, apparently, provide difficulties with other legislation that the tenant was the Secretary of State and not the Crown was upheld. Other difficulties included whether Government was a "business" in the sense of the Counter-Inflation (Business Rents) Orders, and whether, anyway, the tenants (if you decided as the Lords did that the Government was not a business in this sense) were in occupation of the premises at the time. The Lords decision seems to indicate that the Department of the Environment was ruled as being in occupation, even though in Keysign House, it had sub-let to the U.S. Navy during the relevant period, and in the North Audley Street offices the occupants were not the usual civil servants of the Crown but bodies like the Registrar of Friendly Societies and the National Ports Council.

Clearly it has been a case for expert constitutionalists. Maxwell Creasey of MEPC said yesterday that he would be going back to his set of experts to see if anything further could be done, but held out no high hopes.



Compton House, at Westgate, Leeds, an 18,245 sq. ft. office building on a former Smiths Industries factory site, was let to British Rail at £53,500 a year and has now been sold for £630,000. Developer-builder was Kenneth Needs (Contractors) and the buyer is the Grand Metropolitan Pension

Fund. The equated yield of about 8 1/2 per cent, indicates the fringe location, though close to the local Post Office headquarters and the Yorkshire Post building. Smith Melzak and Co., Hulse and Partners, and Norman Rourke and Partners acted for Kenneth Needs on both the letting and sale.

Thorpe's Leeds office acted for CUF and Peter F. Smith and Co. for the purchaser. The Imperial Group Pension Funds have bought from Central and Sherwood Group the freehold interest in a factory and two warehouse units (total 68,500 square feet) at Orchard Lane, East Molesey, Surrey. The rent totals £28,500 a year, with ICI among the tenants and Imperial funds paid over £1m. as well as deciding to finance a further unit of 29,000 square feet. Richard Ellis and Gooch and Wagstaff acted for the fund with Leighton Goldhill and Partners acting for C. and S. Richard Ellis was also involved in selling Town and City's Athlon Industrial Estate, Glasgow (total 38,500 square feet with a second phase of 54,500 square feet under construction). Buyer was ICF Developments, represented by D. M. Hall and Son. And at Chantry's Ford Industrial Estate, Hampshire, City Offices Company has bought the freehold of a 24,000 square feet factory, let at £33,200. City Offices was represented by King and Co. and the sellers by Fox and Sons.

OUT AND ABOUT

The men of the moment at Leyland Cars Group have leased 78,500 square feet in Sun Alliance and London Insurance Group's elegant new office development at Broad Oaks, South-hull. That takes up the whole of this new office centre on a four-acre landscaped site. The rent is £250,000 a year. Jones Martio Fleetwood acted for Sun Alliance.

Just as the National Westminster Bank, having moved to new premises in the city has put

a branch in central Manchester on the market, so Turner and Newall, one of the other of the few businesses on the move in the area recently, is offering for sale or let its former head office, including the top three boardroom areas, are impressive. The quoted rent is £2.50 a square foot and presumably a sale price would be near £1m.

Signs of the increased investment activity in the industrial market are the following deals announced this week: Commercial Unio Properties has sold its Revie Road, Leeds, development (total 65,000 square feet) to a Scottish institution for around £800,000. Bernard

there are indications that the market may be running a little better this year. In this case agents W. H. Robinson and Co. emphasise that the top three floors, including the former boardroom areas, are impressive. This is the first unit to go of the 114,000 square feet so far built, with another six acres left over. The estate has also been sold, with Conrad Phoenix acting for developers Keith Andrew and Company (London) and the insurance company backer, represented by Conells, now taking a sole interest in the investment put at £2m. Conells is now managing and sole letting agent on the estate.

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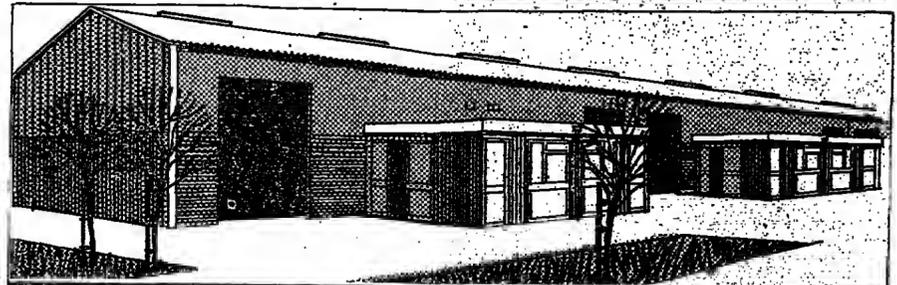
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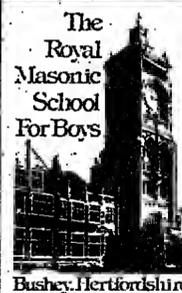
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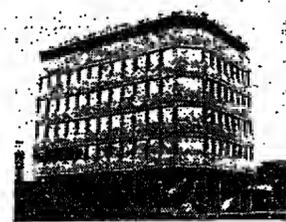
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Listed Building with permission for Refurbishment and extension to provide

6,450 SQ. FT. OFFICES and two flats

FREEHOLD TO BE SOLD

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10,000 sq. ft. or more divide
Leasehold at low rental
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FOR INVESTMENT

SOMERSET
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Nearly fully let. Yield about 14%
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Please reply in writing to:-
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ONSLow BRIDGE CHAMBERS

5890 sq. ft. OFFICES TO LET

Available Spring 1978

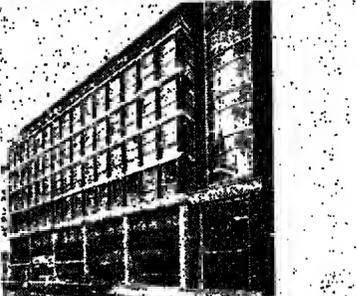
Prestige fully refurbished with modern extension.

- * Central location
- * Main Line Station 200 yds.
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For further information, please contact the sole letting agents:
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A Broom Properties Development

Superb Air-Conditioned Mayfair Offices.
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13,500 sq. ft. with a site area of approximately 2 acres.
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470 sq. ft., 1080 sq. ft. or 1550 sq. ft.

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GLASGOW 14 MILES. EDINBURGH 35 MILES
FOR SALE BY PUBLIC AUCTION (subject to a reserve price) at Hamilton Auction Mart, Lower Auchincloss Road, on Friday 24th March at 3 p.m. Desirable Residential Development near Motherwell in semi-rural setting extending to 23 acres approximately, with full Outline Planning Permission. For Sale as one lot or three separate lots.

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Auctioneers, 9 Church Street, Hamilton, Tel: 23177/8, or Messrs. BOYDS, Solicitors, 34 Raeburn Street, Glasgow, Tel: 641-221 8251 who hold the Title Deeds.

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14,625 sq. ft.

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Prominent frontage to RING ROAD, WORTLEY, LEEDS 11, adjacent to M621 Fully Fitted Heating and Lighting Ready for Immediate Occupation

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819, 821, 823, 825, 827, 829, 831, 833, 835, 837, 839, 841, 843, 845, 847, 849, 851, 853, 855, 857, 859, 861, 863, 865, 867, 869, 871, 873, 875, 877, 879, 881, 883, 885, 887, 889, 891, 893, 895, 897, 899, 901, 903, 905, 907, 909, 911, 913, 915, 917, 919, 921, 923, 925, 927, 929, 931, 933, 935, 937, 939, 941, 943, 945, 947, 949, 951, 953, 955, 957, 959, 961, 963, 965, 967, 969, 971, 973, 975, 977, 979, 981, 983, 985, 987, 989, 991, 993, 995, 997, 999, 1001, 1003, 1005, 1007, 1009, 1011, 1013, 1015, 1017, 1019, 1021, 1023, 1025, 1027, 1029, 1031, 1033, 1035, 1037, 1039, 1041, 1043, 1045, 1047, 1049, 1051, 1053, 1055, 1057, 1059, 1061, 1063, 1065, 1067, 1069, 1071, 1073, 1075, 1077, 1079, 1081, 1083, 1085, 1087, 1089, 1091, 1093, 1095, 1097, 1099, 1101, 1103, 1105, 1107, 1109, 1111, 1113, 1115, 1117, 1119, 1121, 1123, 1125, 1127, 1129, 1131, 1133, 1135, 1137, 1139, 1141, 1143, 1145, 1147, 1149, 1151, 1153, 1155, 1157, 1159, 1161, 1163, 1165, 1167, 1169, 1171, 1173, 1175, 1177, 1179, 1181, 1183, 1185, 1187, 1189, 1191, 1193, 1195, 1197, 1199, 1201, 1203, 1205, 1207, 1209, 1211, 1213, 1215, 1217, 1219, 1221, 1223, 1225, 1227, 1229, 1231, 1233, 1235, 1237, 1239, 1241, 1243, 1245, 1247, 1249, 1251, 1253, 1255, 1257, 1259, 1261, 1263, 1265, 1267, 1269, 1271, 1273, 1275, 1277, 1279, 1281, 1283, 1285, 1287, 1289, 1291, 1293, 1295, 1297, 1299, 1301, 1303, 1305, 1307, 1309, 1311, 1313, 1315, 1317, 1319, 1321, 1323, 1325, 1327, 1329, 1331, 1333, 1335, 1337, 1339, 1341, 1343, 1345, 1347, 1349, 1351, 1353, 1355, 1357, 1359, 1361, 1363, 1365, 1367, 1369, 1371, 1373, 1375, 1377, 1379, 1381, 1383, 1385, 1387, 1389, 1391, 1393, 1395, 1397, 1399, 1401, 1403, 1405, 1407, 1409, 1411, 1413, 1415, 1417, 1419, 1421, 1423, 1425, 1427, 1429, 1431, 1433, 1435, 1437, 1439, 1441, 1443, 1445, 1447, 1449, 1451, 1453, 1455, 1457, 1459, 1461, 1463, 1465, 1467, 1469, 1471, 1473, 1475, 1477, 1479, 1481, 1483, 1485, 1487, 1489, 1491, 1493, 1495, 1497, 1499, 1501, 1503, 1505, 1507, 1509, 1511, 1513, 1515, 1517, 1519, 1521, 1523, 1525, 1527, 1529, 1531, 1533, 1535, 1537, 1539, 1541, 1543, 1545, 1547, 1549, 1551, 1553, 1555, 1557, 1559, 1561, 1563, 1565, 1567, 1569, 1571, 1573, 1575, 1577, 1579, 1581, 1583, 1585, 1587, 1589, 1591, 1593, 1595, 1597, 1599, 1601, 1603, 1605, 1607, 1609, 1611, 1613, 1615, 1617, 1619, 1621, 1623, 1625, 1627, 1629, 1631, 1633, 1635, 1637, 1639, 1641, 1643, 1645, 1647, 1649, 1651, 1653, 1655, 1657, 1659, 1661, 1663, 1665, 1667, 1669, 1671, 1673, 1675, 1677, 1679, 1681, 1683, 1685, 1687, 1689, 1691, 1693, 1695, 1697, 1699, 1701, 1703, 1705, 1707, 1709, 1711, 1713, 1715, 1717, 1719, 1721, 1723, 1725, 1727, 1729, 1731, 1733, 1735, 1737, 1739, 1741, 1743, 1745, 1747, 1749, 1751, 1753, 1755, 1757, 1759, 1761, 1763, 1765, 1767, 1769, 1771, 1773, 1775, 1777, 1779, 1781, 1783, 1785, 1787, 1789, 1791, 1793, 1795, 1797, 1799, 1801, 1803, 1805, 1807, 1809, 1811, 1813, 1815, 1817, 1819, 1821, 1823, 1825, 1827, 1829, 1831, 1833, 1835, 1837, 1839, 1841, 1843, 1845, 1847, 1849, 1851, 1853, 1855, 1857, 1859, 1861, 1863, 1865, 1867, 1869, 1871, 1873, 1875, 1877, 1879, 1881, 1883, 1885, 1887, 1889, 1891, 1893, 1895, 1897, 1899, 1901, 1903, 1905, 1907, 1909, 1911, 1913, 1915, 1917, 1919, 1921, 1923, 1925, 1927, 1929, 1931, 1933, 1935, 1937, 1939, 1941, 1943, 1945, 1947, 1949, 1951, 1953, 1955, 1957, 1959, 1961, 1963, 1965, 1967, 1969, 1971, 1973, 1975, 1977, 1979, 1981, 1983, 1985, 1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047, 2049, 2051, 2053, 2055, 2057, 2059, 2061, 2063, 2065, 2067, 2069, 2071, 2073, 2075, 2077, 2079, 2081, 2083, 2085, 2087, 2089, 2091, 2093, 2095, 2097, 2099, 2101, 2103, 2105, 2107, 2109, 2111, 2113, 2115, 2117, 2119, 2121, 2123, 2125, 2127, 2129, 2131, 2133, 2135, 2137, 2139, 2141, 2143, 2145, 2147, 2149, 2151, 2153, 2155, 2157, 2159, 2161, 2163, 2165, 2167, 2169, 2171, 2173, 2175, 2177, 2179, 2181, 2183, 2185, 2187, 2189, 2191, 2193, 2195, 2197, 2199, 2201, 2203, 2205, 2207, 2209, 2211, 2213, 2215, 2217, 2219, 2221, 2223, 2225, 2227, 2229, 2231, 2233, 2235, 2237, 2239, 2241, 2243, 2245, 2247, 2249, 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265, 2267, 2269, 2271, 2273, 2275, 2277, 2279, 2281, 2283, 2285, 2287, 2289, 2291, 2293, 2295, 2297, 2299, 2301, 2303, 2305, 2307, 2309, 2311, 2313, 2315, 2317, 2319, 2321, 2323, 2325, 2327, 2329, 2331, 2333, 2335, 2337, 2339, 2341, 2343, 2345, 2347, 2349, 2351, 2353, 2355, 2357, 2359, 2361, 2363, 2365, 2367, 2369, 2371, 2373, 2375, 2377, 2379, 2381, 2383, 2385, 2387, 2389, 2391, 2393, 2395, 2397, 2399, 2401, 2403, 2405, 2407, 2409, 2411, 2413, 2415, 2417, 2419, 2421, 2423, 2425, 2427, 2429, 2431, 2433

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We have expanded our research coverage into the brewery sector and require an institutional salesman to market this research to U.K. institutions. Applicants should ideally be institutional salesmen and/or have analytical experience in breweries. Starting salary will be competitive and the opportunity for promotion reflecting the sector responsibility is excellent.

Applications will be treated in the strictest confidence and should include a curriculum vitae.

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COMPANY NOTICES



BEARER DEPOSITORY RECEIPTS

Following the DIVIDEND DECLARATION by the Company on 13 January 1977, NOTICE is now given that the following DISTRIBUTION will become payable to Authorised Depositories on or after 11 March 1977 against presentation to the Depository (or holder) of Claim Forms (obtainable from the Depository) listing Bearer Depository Receipts.

Gross Distribution Per Unit: 4.00 cents, Less 15% US Withholding Tax: 0.60 cents. 3.40 cents per unit = £0.018830 per Unit. Co-converted at \$1.7145. DEPOSITORY: National Westminster Bank Limited, STOCK OFFICE SERVICES, (2nd Floor) 41, LOTHBURY, LONDON, E.C.C. 3 March 1977.

THE LOAN ASSOCIATION OF SEVEN MUNICIPALITIES OF GREATER COPENHAGEN 5% 1964/84 UA

Notice is hereby given that the amount redeemable on April 15, 1977, U.S. \$4,649,000 was bought in the market. Amount outstanding U.S. \$4,683,000. Luxembourg, March 1, 1977.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

NOTICE TO HOLDERS OF ORDINARY SHARES: The Board of Directors of Anglo American Corporation of South Africa Limited has resolved to pay a dividend of 25 cents per share on the ordinary shares of the Company.

TDK ELECTRONICS CO., LTD. (CDRS)

Referring to the advertisement dated 10th November, 1976, the undersigned hereby certifies that the shares from the 10 per cent bonus have been received.

THE TRUSTEE KREOITBANK S.A. LUXEMBOURGISE

AMSTERDAM, 1st March 1977. AMSTERDAM DEPOSITARY COMPANY N.V.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE Chancery Division, the Matter of MULLGRAND LIMITED and in the Matter of The Companies Act, 1947.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named company was presented to the High Court of Justice on the 28th day of February 1977.

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HOARE GOVETT LTD. GILT EDGE DEPARTMENT

Hoare Govett Limited seek a first class mathematician to join their Gilt Edge Department.

The successful applicant will be responsible for the initiation of new ideas either on their own or in conjunction with the department, and must have the personality to discuss their ideas with investment managers. In addition they will be responsible for computer liaison and development within the department.

Experience of gilt edge business is essential.

This is a very responsible position and salary and bonus will reflect both the importance of the appointment and the value of existing experience.

Applications should be made to The Secretariat, Hoare Govett Limited, Atlas House, 1 King Street, London EC2V 8DU, and will be treated in the strictest confidence.

Banking Administrator (Retired?) City £6000+

Our client seeks an experienced Banking Administrator to help with the collection of certain banking debts during 1977/78.

Experience in the collection and recovery of bank advances in a businesslike manner is essential. He or she will have to liaise with various agents and solicitors.

Age does not matter, but the appointment could interest those considering retirement, or recently retired. Salary around £6000 p.a. but could be more for the ideal person.

Applications in confidence with adequate career details to:

RNOs Personnel Services Division, Spicer and Pegler & Co, 3 Bevis Marks, London EC3A 7HL.

BUSINESS MANAGER

Required for an Arab magazine published in English. A minimum of five years in magazine marketing and advertising. Fluent Arabic, English and an intensive knowledge of Europe, the Far East and the Arab world essential. French an advantage. Preferred age 35-40. Salary negotiable.

Write in confidence enclosing C.V. to: AL-HAWADES (U.K.) LTD., 67, Southampton Row, London W.C.1.

OIL/TANKER ECONOMIST

H.P. DREWRY (Shipping Consultants) Limited, publishers of reports on the economics of shipping, wish to recruit an experienced graduate aged around 25. The post being offered involves researching and writing (for publication) economic reports on tanker shipping and the provision of the oil and energy data for tanker consultancy reports. Candidates should be graduates in economics, ideally with a minimum of three years experience in the oil or tanker industries, and should have proven writing ability and basic statistical aptitude.

Please reply in writing, including full C.V. to: Mr. A. B. Carpenter, H.P. DREWRY (SHIPPING CONSULTANTS) LIMITED, 34 Brook Street, London W1Y 2LL, Tel: 01-629 5366

Commodity Vacancies METAL BROKER

Account executive with extensive current experience of the metal market, for respected metal traders EC3. Ideally late 20s early 30s. £1000 p.a.

Contact R. Wallhead, CHARTERHOUSE APPOINTMENTS, 01-836 2377

MERCHANT BANKING

Young Graduate Chartered Accountant, or stockbroker, is required by the Investment Division of a leading number of the Accepting Houses in London. Knowledge of at least one European language would be an advantage. There would be good prospects of travel. Only first-class applicants with a good examination record will be considered. Only first-class applicants with a good examination record will be considered. Only first-class applicants with a good examination record will be considered.

Please ring 01-639 5125 or write Baresford Associates Ltd., 43 Old Queen Street, London SW1H 9JA

EDUCATIONAL APPOINTMENTS

Portsmouth Polytechnic HEAD OF DEPARTMENT OF BUSINESS STUDIES

This post becomes vacant in September, 1977, on the retirement of the present incumbent. Applications are invited from candidates with high academic qualifications, substantial business and administrative experience, and an active interest in research.

Salary according to Burnham Scale Grade VI—£8,307 plus appropriate proportion of cost of living supplement to £8,913 per annum.

Further particulars and application forms may be obtained from the Staff Officer, Portsmouth Polytechnic, Alexandra House, Museum Road, Portsmouth, PO1 2QQ, to whom completed applications should be returned by 28th March, 1977. Please quote ref. C48.

INTERNATIONAL APPOINTMENTS

EUROBOND MARKET

Nesbitt, Thomson is seeking a Eurobond salesman for its Paris Office.

Candidates, aged 25-40 should have a minimum of 2 years' experience in the Eurobond market, be self-starting and sales-orientated. Fluent French absolutely essential. Generous remuneration package commensurate with ability and experience.

Replies in confidence to J. B. Clark, Nesbitt, Thomson Limited, 1, Union Court, Old Broad Street, London EC2N 1DY.

PORTFOLIO MANAGEMENT

Bank in French-speaking part of Switzerland is looking for highly-qualified Head of Portfolio Management Department. Candidate must have experience in similar position, be used to maintain contact with high-class private and institutional clientele. Must have perfect knowledge of securities markets. Should be fluent in French. Age 35-45. Work permit available.

Write Box A5556, Financial Times 10, Cannon Street, EC4P 4BY.

COMPANY ANNOUNCEMENTS

CVL HARRY B.S. (Hons.) C.Eng. MIMET. His jobbed Industrial Diamond Co. Ltd. London, is Head of Corporation and Mining. Mr. Harry will be based in London. He has previously worked in India, Laos, Ghana, India, America, Africa and Europe.

COMPANY NOTICES

TDK ELECTRONICS CO. LTD. (CDRS) The undersigned certifies that the shares of the Company will be closed on Monday 14th March 1977. The shares of the Company will be closed on Monday 14th March 1977.

PUBLIC NOTICES

CITY OF NORWICH £850,000 bills issued 2nd March 1977 due 15th June 1977 at 12 1/2%. Applications invited £4.25m. £850,000 bills outstanding.

CITY OF NORWICH

£850,000 bills issued 2nd March 1977 due 15th June 1977 at 12 1/2%. Applications invited £4.25m. £850,000 bills outstanding.

AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam 2nd March 1977.

NOTICE IS GIVEN THAT THE REGISTER OF MEMBERS AND TRADING BOOKS OF THE COMPANY WILL BE CLOSED ON MONDAY 14th MARCH 1977.

By Order of the Board, N.G. SWIFT, Secretary.

N.G. Swift Factory, Elford, W. Yorkshire, Transfer Office, 25, Abchurch Lane, London, EC4N 3JF.

HONO CONTAINERS LIMITED

NOTICE IS HEREBY GIVEN that the REGISTER OF MEMBERS AND TRADING BOOKS OF THE COMPANY WILL BE CLOSED ON MONDAY 14th MARCH 1977.

By Order of the Board, E. N. DUNNING, Secretary.

HOME NEWS

Letter rate likely to increase soon

BY KEVIN DONE, INDUSTRIAL STAFF

THE POST OFFICE is expected to apply to the Price Commission soon for an increase in first and second class letter rates and parcel charges.

Letter rates are expected to rise by 4p to 9p for first class and 7p for second class. Parcel charges may rise by between 15 and 20 per cent. If the application is approved, the increase will probably be implemented in June.

By the end of this month letter rates will have been changed for 18 months and it had been expected that the Post Office would apply for an increase to coincide with the beginning of the next financial year on April 1.

The timing of the increase has been delayed during discussions between the Post Office and the Department of Industry. This week the latest set of special issue stamps, celebrating the Queen's Silver Jubilee, were announced—to go on sale from May 1st. The first class stamp has been printed at the present rate of 8p.

Consumer group attacks unions over posts Act

BY KEVIN DONE, INDUSTRIAL STAFF

PROPOSALS by the postal unions for amending the obligations imposed on their members by the Post Office Act have been condemned by the Mail Users' Association.

Possible amendments have been suggested in the wake of the unions' attempt to boycott postal and telephone communications with South Africa which was successfully halted by a temporary injunction granted by the Court of Appeal.

The association says that the idea of balancing duties (the Post Office's universal obligation to provide certain services) against privileges (the letter service monopoly) has long been accepted by Government and the Post Office.

The association supports the monopoly on the grounds that the letter service is a public utility and large-scale competition would be uneconomic.

It adds, however: "It would be totally inequitable if the Post Office, its employees and servants were to be relieved of any of their obligations to carry and deliver mail without a corresponding reduction in the monopoly."

It would be wholly unjust if any group operating within the Post Office could, in effect, say to a specific user: "You have no alternative to using our services, but we will decide whether or not to supply them."

Executive posts in Barclays group

Mr. Deryk Weyer, a vice-chairman of Barclays Bank, and Mr. C. H. W. Troughton, a director of Barclays Bank U.K. Management, have been appointed to the posts of BARCLAYS BANK INTERNATIONAL.

Mr. Tom Lawson has been appointed president of EMI TECHNOLOGY INC. He will be based at Danbury and report to Mr. Stanley A. Gann, chairman of that company. Since 1974, Mr. Lawson has been a management consultant to high technology companies.

Mr. Peter Norfolk has been appointed financial controller of the RANK ORGANISATION and Mr. Peter Blood has joined the company as corporate planning manager.

Mr. J. L. Hoffmann has been appointed a non-executive director of WOODHOUSE & RIXSON (HOLDINGS).

Dr. John Watkinson, director of operations staff, Plessey Corporate STAR, is to become deputy chairman and managing director of PLESSEY AEROSPACE and deputy chairman of PLESSEY HYDRAULICS. The function of director in operations staff will be discontinued and the company's dynamics division is now abolished with the creation of product subsidiaries.

Mr. R. J. East, corporate staff director, group supplies, of GUEST KEN & NETTLEFOLDS, has been appointed a director, and Mr. M. C. Gifford an executive director, of BLAND PAYNE (MARINE).

CONTRACTS AND TENDERS

CONSTRUCTION EQUIPMENT FOR IRAQ

Bids are invited from manufacturers for supply of machinery and equipment for the K-2 Drainage and Irrigation Canal and Land Levelling Project located at Lower Khalls, Iraq consisting of Scrapers, Bulldozers, Draglines, Graders, Concrete Mixers, Vibrators, Rollers, Mobile Cranes, Vehicles, Batching Plant, Sand and Gravel Washing Plant, Compressors, Generators, Service Shops, Tractors, and Trailers, Lasers, Canal Forming and Lining Machines, Ditchers and Tile Layers, etc., in accord with the M.C.P. Standardised List of Approved Makers.

Tender documents with specifications may be purchased from the M.C.P. Purchasing Agent, ACME Ltd., P.O. Box 1561, Grand Cayman, Cayman Islands, B.W.I., or ACME Corporation, 505 White Plains Road, Tarrytown, New York 10591, U.S.A., TWX: 710 567 1240; Telephones (914) 631 3303 & 3308 for the sum of US\$100.00 before March 28th, 1977.

By order of the Board, Mechanised Construction of Pakistan Ltd., Baghdad, Iraq. February 5th, 1977

Interlaken Jungfrau. The golden key to quality holidays. Contact your travel agent or the Swiss National Tourist Office, London, for informative literature. INTERLAKEN, a unique holiday resort with numerous attractions, and ideally situated at the foot of the Jungfrau between the lakes of Thun and Brienz. BERNESE OBERLAND Playground of Europe SWITZERLAND. Second only to one's own land.

Friday March 4 1977. West District Council. G.W.O. ERMARKET. RE & SHON. LET. BOUND LEASE. Retailers/Developers. further particulars. PARH to: Higher Park. Higher Class MANUFACTURER. FOR SALE. ENGINEERING. PUBLISHERS A. DISTRIBUTORS. NOVEMBER. PURE COMP. BUSINESS WANTED. NON-RES. DIECAST. WANTED.

FARMING AND RAW MATERIALS

steep rise in timber import bill

Peter Bullen
STAIN SPENT more than £1m on imported timber last year, the Timber Organisation said today.

Reduced demand cuts British bacon prices

BY RICHARD MOONEY
SOME RETAILERS could be offering bacon rashers at up to 7p a pound below this week's level from Monday.

Tim market surges to new peak

By John Edwards
TIN PRICES advanced strongly to new all-time peaks on the London Metal Exchange yesterday.

EEC membership not such a problem

BY PETER BULLEN
BRITAIN'S HORTICULTURAL industry is faring better in the Common Market than had been anticipated before the U.K. became a member of the Community.



Dr. Gavin Strang

Indian jute sales improve

Our Own Correspondent
CALCUTTA, March 3. LATEST domestic and export figures issued by jute industry show a steady sustained improvement in outlook for the Indian jute.

U.S. may back commodity pacts

BY DAVID SEL
THE CARTER ADMINISTRATION is considering throwing its weight behind a number of international commodity agreements as the first stage in its declared policy of reducing the world's sudden market price fluctuations.

Rubber stocks may be cut

SINGAPORE, March 3. SEASONAL WINTERING each year of rubber trees, which reduces output for a period, is beginning to affect peninsular Malaysian rubber estates.

East Europe may sow more sugar beet

RATZBURG, March 3. THE TOTAL AREA sown to sugar beet in Europe in 1977 will be 7,998,000 hectares from 7,937,000 in 1976, forecasts F. O. Licht, the sugar statistical authority, in its first estimate.

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Commodity, Unit, Price, and Change. Includes sections for Metals, Rubber, and Wool.

Warning on dirty grains

WASHINGTON, March 3. Their complaints involving the poor record of U.S. grain exports to Congress passed a new law last year requiring Federal take-over of export inspections.

COFFEE

Table showing coffee prices for various origins like Arabica and Robusta.

PRICE CHANGES

Table showing price changes for various commodities like Metals, Rubber, and Wool.

FOOD PRICE MOVEMENTS

Table showing food price movements for items like Danish A.I per ton, U.S. Special per ton, etc.

SOYABEAN MEAL

Table showing soyabean meal prices for various origins and grades.

WOOL FUTURES

Table showing wool futures prices for various grades and origins.

COTTON

Table showing cotton prices for various origins and grades.

Why do clients prefer Prescott?

INTEGRITY. We are one of the few commodity firms that neither trade on our own account nor allow our executives to trade. This means our advice is based solely on the needs of our clients who thus receive the best possible execution.

GRAINS

Table showing grain prices for various types like Wheat, Corn, etc.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types.

Cotton acreage rise forecast

WASHINGTON, March 3. WORLD COTTON acreage in the 1977 season is projected at 32.7m hectares, up 4.4 per cent from the current season's acreage, according to the U.S. Agriculture Department.

STOCK EXCHANGE REPORT

Absence of MLR cut disappoints and equities fade Index still 2.1 up at 412.7 after 415.4—Gilts a shade lower

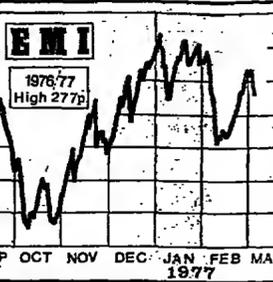
Account Dealing Dates... First Declara- Last Account Dealing Dates... The crisis at British Leyland continued to restrain buying interest in stock markets yesterday...

Gilt-edged followed much the same pattern as equities; quotations relinquished small gains in the early afternoon and senti-

Money market appears on Page 29

Shares eased slightly on profit-taking after news of the result of Wednesday's IMF gold auction and the Gold Mines index shed 2.1 to 131.5. Gilts move marginally... A forward movement early in the day in British Funds owed all to optimistic anticipation of a fall in Minimum Lending Rate being announced in the early afternoon...

Press comment on the investment into the industry's pricing structure... deemed as slightly disappointing and the share fell 7 to 218p after 72p. Yarow improved 3 to 171p as did Robb Caledon to 86p, after 70p. Laird came into the picture with an improvement of 5j to 56p, but Vesper remained unimpressed and shed 3j more to 84p...



Results helped Fairview Estates edge forward 2 more to 55p and BCA were a like amount better at 29p following the preliminary figures. Nottingham Brick added 4s at 130p and Gerni Developments 2j to 33p, while similar rises were recorded in Crossley, 55p, J.B. Holdings, 38p, and Millroy, 40p. Tarmac, however, marred the sequence with a fall of 5 to 147p...

FINANCIAL TIMES STOCK INDICES table with columns for Government Sec., Fixed Interest, Industrial Ordinary, Gold Mines, and Equity Shares. Includes sub-tables for HIGHS AND LOWS and S.E. ACTIVITY.

Trading to close 25... Overseas traders had a couple of firm spots in linchpin, which at 9.20p, picked up 7 of the previous day's fall of 15, and James Finlay, up 6 at 197/77 peak of 181p. Camella Investments featured Investment Trusts rising 18 to a 197/77 peak of 118p in a restricted market on consideration of its tea interests...

ENTERTAINMENT GUIDE

OPERA & BALLET... THEATRES... GARRICK THEATRE... ROYAL OPERA HOUSE... THEATRE ROYAL... THEATRE ROYAL... THEATRE ROYAL... THEATRE ROYAL...

RECENT ISSUES

EQUITIES... FIXED INTEREST STOCKS... 'RIGHTS' OFFERS... ACTIVE STOCKS... NEW HIGHS AND LOWS FOR 1976/77... CINEMAS ARE CONTINUED ON PAGE 39

FT—ACTUARIES SHARE INDICES

Table of FT—ACTUARIES SHARE INDICES. Includes columns for EQUITY GROUPS, FIXED INTEREST, and RISES AND FALLS YESTERDAY. Includes sub-tables for EQUITY GROUPS and FIXED INTEREST.

AUTHORISED UNIT TRUSTS

Handwritten signature and date: J.P. 10/3

Table of financial data including 'UNIT TRUST MANAGERS', 'BANKING MANAGERS', and 'UNIT TRUST MANAGERS (cont.)' with columns for fund names and values.

Main table of 'AUTHORISED UNIT TRUSTS' listing various fund names, managers, and performance metrics across multiple columns.

Table titled 'BASE LENDING RATES' listing various banks and their respective interest rates for different types of loans.

INSURANCE, PROPERTY, BONDS

Table listing various insurance, property, and bond products, including company names and policy details.

Table titled 'INSURANCE BASE RATES' providing a summary of insurance rates for different categories.

Advertisement for 'SAUNTON' hotel, featuring a large image of the building and text describing its amenities and location.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas investment funds, including fund names and managers.

NOTES

Notes section containing additional information and disclaimers regarding the fund listings.

HEALEY & BAKER SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE. 29 St. George Street, Hanover Square, London W1A 3BG. 01-629 9252

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, Dividend, and Yield. Includes funds like Treasury 100% and various international funds.

Over Fifteen Years

Table showing performance of funds over fifteen years, including Treasury 100% and various international funds.

United

Table of United funds with columns for Stock, Price, Dividend, and Yield.

INTERNATIONAL BANK

Table of International Bank funds with columns for Stock, Price, Dividend, and Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, Dividend, and Yield.

COINTEGRATED & AFRICAN LOANS

Table of CoinTEGRATED & African Loans with columns for Stock, Price, Dividend, and Yield.

LOANS (Miscellaneous)

Table of Miscellaneous Loans with columns for Stock, Price, Dividend, and Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Stock, Price, Dividend, and Yield.

AMERICANS

Table of American stocks with columns for Stock, Price, Dividend, and Yield. Includes companies like A.S. and various American firms.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, Dividend, and Yield. Includes companies like Bell Canada and various Canadian firms.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Stock, Price, Dividend, and Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Stock, Price, Dividend, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Stock, Price, Dividend, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Stock, Price, Dividend, and Yield.

BUILDING INDUSTRY - Continued

Table of Building Industry - Continued with columns for Stock, Price, Dividend, and Yield.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Stock, Price, Dividend, and Yield.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Stock, Price, Dividend, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Stock, Price, Dividend, and Yield.

DRAPERY AND STORES - Continued

Table of Drapery and Stores - Continued with columns for Stock, Price, Dividend, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Stock, Price, Dividend, and Yield.

ENGINEERING, MACHINE TOOLS

Table of Engineering, Machine Tools with columns for Stock, Price, Dividend, and Yield.

ENGINEERS - Continued

Table of Engineers - Continued with columns for Stock, Price, Dividend, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Stock, Price, Dividend, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Stock, Price, Dividend, and Yield.

INDUSTRIALS (Miscellaneous)

Table of Industrials (Miscellaneous) with columns for Stock, Price, Dividend, and Yield.

Conversion factor: 2.425 (0.725)

Handwritten note in Arabic script: مكدان لامل

NOMURA The Nomura Securities Co., Ltd. NOMURA EUROPE N.V. LONDON OFFICE: Barber Surgeons Hall, Mark Lane, London Wall, London EC3 5 8L. Phone: (01) 606 3411, 6263

INDUSTRIALS - Continued. Table listing various industrial stocks with columns for Stock, Price, Div, and Yld. Includes companies like British Leyland, BHP, and various engineering firms.

MOTORS, AIRCRAFT TRADES. Table listing stocks in the motor and aircraft sectors, including components, garages, and distributors.

PROPERTY - Continued. Table listing real estate and property-related stocks, including investment trusts and land.

TRUSTS - Continued. Table listing various trusts and investment vehicles, including finance, land, and general trusts.

TRUSTS - Continued. Table listing various trusts and investment vehicles, including finance, land, and general trusts.

CENTRAL AFRICAN. Table listing stocks from the Central African region, including Anglo-Siam and Anglo-Siam Finance.

AUSTRALIAN. Table listing Australian stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

TINS. Table listing tin-related stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

OVERSEAS TRADERS. Table listing overseas trading companies, including Anglo-Siam Finance and Anglo-Siam Finance.

COPPER. Table listing copper-related stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

MISCELLANEOUS. Table listing various miscellaneous stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

RUBBERS AND SISALS. Table listing stocks in the rubber and sisal sectors, including Anglo-Siam Finance and Anglo-Siam Finance.

TEAS. Table listing tea-related stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

INDIA AND BANGLADESH. Table listing stocks from India and Bangladesh, including Anglo-Siam Finance and Anglo-Siam Finance.

SRI LANKA. Table listing Sri Lankan stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

MINES. Table listing mining stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

CENTRAL RAND. Table listing stocks from the Central Rand region, including Anglo-Siam Finance and Anglo-Siam Finance.

EASTERN RAND. Table listing stocks from the Eastern Rand region, including Anglo-Siam Finance and Anglo-Siam Finance.

FAR WEST RAND. Table listing stocks from the Far West Rand region, including Anglo-Siam Finance and Anglo-Siam Finance.

FINANCE. Table listing finance-related stocks, including Anglo-Siam Finance and Anglo-Siam Finance.

NOTES. A section containing various notices, including information about share issues, dividends, and company announcements.

Callaghan opens devolution talks with Steel

By Richard Evans, Lobby Editor

THE INTER-PARTY TALKS over the future of the Government's devolution legislation, headed off following the defeat on the guillotine...

Mr. Callaghan will meet Mrs. Margaret Thatcher and Mr. Francis Pym the Tory devolution spokesman on Monday...

Mr. Foot, the Minister with responsibility for devolution, has told Labour MPs he would be willing to have consultations on devolution with any backbenchers...

Gulf with critics

Ministers still hope that the exploratory talks will allow the legislation to be reintroduced into the Commons in a few weeks...

Mr. Callaghan's letter of invitation to Mrs. Thatcher was phrased deliberately in conciliatory terms...

This will be quite unacceptable to the Tories, who will insist that the Bill be dropped...

Mr. Steel and Mr. Callaghan spent 40 minutes discussing devolution at the Commons...

The two concessions considered most necessary by the Liberals are powers of taxation for the Scottish Assembly...

When Mr. Foot announced next week's Commons business to MPs a gasp went up at the lack of legislation of substance...

Minor Bills

Because of the Government's inability to get controversial legislation through the Commons without an overall majority...

Shelving of devolution legislation makes it more difficult for the Government to use the crowded time-table as an excuse...

A White Paper is due out later this month and the Cabinet will then have to take a decision on legislation to enable direct elections by the target date of May or June 1978.

Bank hint to slow interest rate fall

By Michael Blandon

THE BANK OF ENGLAND yesterday renewed its signals to the money market indicating its wish for continued moderation in the downward trend of short-term interest rates.

The move disappointed earlier hopes that the Bank would announce a cut in its official Minimum Lending Rate.

It is now expected that the rate will remain at 12 per cent, with the normal formula linked to the average rate at the Friday Treasury bill tender remaining suspended.

There has been speculation that the Bank's action took the usual form of forcing some of the discount houses to borrow funds for seven days at the penal MLR.

The move brought a setback in gilt-edged prices, which had improved in hopes of an MLR offset during the morning.

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Lonrho's Sudan sugar plan cost doubles to £294m.

BY JAMES BUXTON AND MARGARET REID

Lonrho, which conceived and financed the Kenana sugar scheme in the Sudan, will acquire its partners in the project tomorrow to review the venture's future.

A meeting has been called in Khartoum to discuss the scheme's cost and management, and the need for additional finance.

Among those represented at the meeting will be the Arab Investment Company, owned by 14 Arab Governments...

The Kenana project, one of the world's largest for sugar production, is expected to be given the go-ahead essentially as it was conceived originally.

Soft loans on favourable terms of some \$100m-\$150m are expected to be sought from Arab funds to help finance the anticipated extra expense of the venture.

But the Arab Investment Company has apparently reaffirmed its faith in the project. The scheme is, therefore, still considered viable and is likely to go ahead as originally conceived.

A modification to the scheme that may be proposed at tomorrow's meeting is to raise its annual refining capacity from 300,000 to 500,000 tons.

The modification would enable the sugar factory—which along with big cane sugar fields forms a vital part of the scheme—to operate not just for 7-7½ months but for 11 months a year.

It would probably require extra plant to assist storage of the material through part-processing of cane into syrup.

Not only has the cost risen far beyond the \$250m, expected when work began two years ago, the estimated date for the start of production, which earlier was the 1977-78 crushing season, had been pushed by the end of last year to November 1978.

Approach to the detailed implementation of the Kenana scheme. It is not certain how this might affect the management role of Lonrho, which drew up the project.

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Boeing faces 'irregular' foreign payouts probe

BY JAY PALMER

NEW YORK, March 3.

RECORDS of many of Boeing's foreign sales since 1966 are now being closely studied by the U.S. Securities and Exchange Commission for possible evidence of questionable payments or bribes by the U.S. aerospace company.

The information turned over to the commission by Boeing contains extensive information on sales and purchase agreements for commercial aircraft signed by the company with some 11 foreign governments and a total of 48 foreign airlines.

The commission made it clear in an original subpoena filed with U.S. courts demanding sales data that it was particularly interested in receiving information on sales to the Governments of Canada, Egypt, Portugal and Venezuela.

Reacted To-day, the Canadian Government was the first of those named as being of interest to the commission to react publicly.

A spokesman for Mr. Pierre Trudeau, the Prime Minister, said that Government officials would contact the commission immediately to find out what the relevant facts are.

Earlier this week Federal Government investigators in Washington were reported to be assembling strong evidence that the U.S. Central Intelligence Agency may have known about and even possibly encouraged

the type of illicit foreign payouts by U.S. companies that the commission is now looking for in Boeing's records.

The sales data now being studied was handed over by Boeing late last year after the commission got the U.S. courts to approve its demands for documents.

However, the courts at that time, and at Boeing's request, sealed the commission subpoenas and exactly what information it wanted was not made public until last week.

In its five-page document, the commission listed 180 "purchase agreements" between Boeing and 52 customers on which it wanted detailed information.

At the same time that this new inquiry became public knowledge, the commission confirmed that it has given up attempting to persuade the courts to unseal the names of Boeing's alleged foreign consultants.

It said that the State Department has entered very strong objections to these names being made public on the grounds that it could damage U.S. foreign relations.

However, in the court hearings during testimony designed to protect these identities, Boeing lawyers named Argentina, Brazil, India, Saudi Arabia, Libya, the Sudan and Iran in the context that these were where they had

some time on Wednesday, and also armed men posted outside his cabin door. Captain West has since protested that he was not a "prisoner."

Crews of the three sister Globnik tankers, already told to stand by to take action if talks failed, were called again with the news that Mr. Tikkoos was seeing the unions.

The dispute is over the wages paid to the Filipinos, who left their ship after she was occupied and were being flown to Manila.

The International Transport Workers' Federation claims they were getting less than half the ITF monthly rate of about \$510.

Mr. Tikkoos has said he "does not recognize" the ITF, and has complained of a "Communist and union vendetta" which makes him want to leave Britain as soon as possible.

Fifteen of the men who boarded the ship flew to London yesterday morning from Paris. One of them said: "The trip is a great success. All we have to do now is collect our money and go home. We are looking for the man with the money."

Post Office attack launched by Wilson

By Christopher Lorenz, Electronics Correspondent

SIR HAROLD WILSON, the former Prime Minister, yesterday launched an attack on the Post Office for its investment board which has handed the Post Office's changing forecasts to announce 4,000 redundancies and the closure of three factories.

Two of the plants, and 1,300 of the threatened jobs, are near Sir Harold's Huyton constituency, on Merseyside.

Mr. Wilson said that the Post Office's changing forecasts would make at least one statistician weep (Sir Harold is a statistician) the former Premier also made several remarks which imply criticism of the way the Government has handled the controversy about P.O. cuts of £250m. in telephone exchange orders announced four months ago.

Sir Harold called on the P.O. to try to stimulate extra telephone demand by handing the orders to its suppliers—by offering a low or even zero charge for all households which installed a telephone between now and the middle of the year.

The P.O. later retorted that its present equipment plans would meet any conceivable demand over the next three years. Stimulated by its marketing campaign, demand for new phones over the next 12 months would in any case exceed 1.5m. an all-time record.

It announced yesterday that Mr. Nicholas Pinner, of Cambridge University, a former adviser in the Treasury, would report "as quickly as practicable" on the assessment which led the P.O. to cut its forward programme last November.

Mr. James Callaghan, the Prime Minister, told the Commons yesterday that the 90 days' notice of redundancy received by the Plessey workers "should give us the full time we need to investigate these matters."

He had asked the National Enterprise Board's regional officer to investigate the investment potential in the two areas affected by the Plessey redundancies—the North-East and the North-West.

The Board would report on what could be done to offset any disastrous consequences which might ensue from the closures.

Sir Harold said that as Prime Minister just over a year ago, he was advised on the basis of a clear statement indicating that the P.O. orders were "definitive" and the supplying industries could depend on them.

"Now we are told that the Post Office has thrown over the programme... that this should happen in so short a time must cast the gravest doubts on the Post Office's credibility."

The P.O. retorted that the new cuts resulted from "far-reaching" means to increase operating efficiency and hold down prices to the public. This was a reference to its new system of matching equipment needs to present and projected levels of telephone traffic.

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THE LEX COLUMN

The growth tempo slows at EMI

EMI's half-year figures confirm that its medical electronics division is no longer in an explosive growth phase.

Overall profits have risen from £28.6m. to £36.7m. pre-tax—and the main impetus has come from the music side, which has climbed back to over half the pre-interest profits total following a jump of well over two-fifths in the half-year.

By contrast, electronics profits are only about a sixth higher, and although this takes in the downturn in the Australian colour TV interests it also reflects what EMI describes as a considerable slowdown in its North American Scanner business.

This is largely put down to the increasing intervention of regulatory agencies in the health field, which could apparently persist to the end of the calendar year.

As a result the increase in new orders since September has been limited to about £30m; the cumulative total now amounts to around £155m., of which £50m. has yet to be delivered.

In addition there have been heavy research expenses associated with the pressure for faster scanning times, and EMI has had a problem with SEM Nuclear Corporation, acquired last year, where unquantified provisions have had to be made against equipment which had been despatched prior to the purchase date.

An indication of the impact of all this is that North American profits are just £2.1m. higher at £5.1m. pre-interest. Capital, which admittedly includes some Japanese earnings, has already disclosed a pre-tax rise of over £3m. for the period.

However, the Scanner is not being pressed by price competition in the U.S., and it still seems to be in front in the technical race. GE is the only group currently producing a machine with a significantly faster scan time, and has so far delivered only a few. For its part, EMI will be coming out with new products in the fairly near future.

In the rest of the world, sales are apparently moving ahead strongly. The Screen Gems music publishing business, acquired in 1976 for £23m., will start to make a contribution over the rest of the year.

The TV content trading side is likely to put in another strong performance, and finance costs could be

Bank of England yesterday held MLR steady and signalled continuing restraint on the discount market. With the banking system repaying the temporarily released 1 per cent special deposits next week, money could be fairly tight.

All the same, the "shadow" MLR indicated by the suspended Friday formula seems likely to fall another quarter point to 11½ per cent to-day.

Vantona

Vantona's sales volume rose by a tenth last year and for the first quarter of 1976-77 the group reckons to be about 15 per cent ahead. So the market in household textiles shows no obvious signs of running out of immediate steam.

Against this background it now looks as though Vantona could get close to profits of £8m. pre-tax in the current year, compared with yesterday's announcement of a rise from £4.2m. to £8.5m.

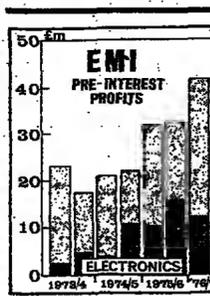
The second half of the year saw margins move ahead sharply with Vantona citing merger benefits plus strong export growth on top of good demand at home; overseas markets possibly accounted for a sixth of overall profits. The group has strong links with some of the more successful retailers, notably Marks and Spencer where four out of every five towels sold currently are Vantona products; it also has a sizeable stake in the more-fashionable end of the bedding market.

The strong earnings trend transformed the balance sheet turning net overdrafts of £3.2m. into net cash of £0.7m., and dropping net borrowings to just over a third of net worth. Vantona's market is clearly one of the more discretionary areas of consumer spending. But the Board is happy about the outlook, and a p/e of 5½ at 93p could shed over a point this year. Yield meanwhile is a well covered 7.7 per cent.

Racal

Racal jumped another 22p to 305p yesterday following confirmation of its £14.7m. Rights issue and its updated profits forecast—a rise of over three-fifths to £32m. for the year ending this month—but the excitement may now be over for the moment. The p/e, adjusted for M100, and the rights issue, is about 10½ and given after the ground to the recent continuing big dividend increase in 1977-78 falls in interest rates. But the

Index rose 2.1 to 4127



EMI PRE-INTEREST PROFITS and ELECTRONICS PROFITS 1974-1977

rather less of a burden. But seasonal swings in the music business mean that group profits are usually lower in the second half than the first, and overall targets for the year may be limited to a shade under £70m. pre-tax compared with £59.4m. in 1975-76. That would leave a prospective p/e of 7½, a yield of 5½ per cent—and not much room for enthusiasm about the shares at 216p.

PSBR

The process of convergence of the various brokers' estimates of the public sector borrowing requirement for 1976-77 continues, with attention now focusing on the lower end of the range—where Capel-Cure Myers, for instance, has for some weeks been predicting £9.5bn. Yesterday's official figures for the third quarter of the financial year indicate that the PSBR was in fact running at an annualised rate of £9.3bn. in the first nine months.

The central Government figures were already known, but now it is shown that the local authorities and public corporations have also been borrowing substantially less than the last Budget projections. An annual total of £9.3bn. allows for some increase in the current quarter from the very low PSBR recorded for October, December, and indeed a last-minute surge in spending is quite likely as the departments spend up to their cash limits. But there will have to be a spectacular lunge to make the year's figure up to very near £10bn.

These figures form the backbone to the recent continuing big dividend increase in 1977-78 falls in interest rates. But the

Weather

U.K. TO-DAY

RAIN at first in places, becoming dry with sunny periods. S.E. Cent. S., E., S.W. and Cent. N. England, E. Anglia, Midlands, Channel Is., S. Wales cloudy, some rain, becoming dry with sunny periods. Wind W. Max. temp. 13C (55F). N. Wales, N.W. and N.E. England, Lake District, Isle of Man mainly dry, sunny periods. Wind W. Max. temp. 13C (54F). Borders, S.W. Scotland, Northern

Sunny periods, scattered showers. Wind W. Max. temp. 10C (50F). Cent. Highlands, Murray Firth, N.E. and N.W. Scotland, Argyll, N.E. and N.W. Scotland, Argyll, Orkney, Shetland

Showers, some bright intervals. Wind W. Max. temp. 9C (48F). Outlook: Dry at first with sunny periods. Rain spreading from the W. later.

BUSINESS CENTRES

Table with columns for City, Day, and Mid-day. Lists various cities like Alexandria, Amman, Amsterdam, Athens, etc.

HOLIDAY RESORTS

Table with columns for City, Day, and Mid-day. Lists holiday resorts like Ajaccio, Alghero, Alghero, etc.

Advertisement for Bass Charrington 'brewed' it with BISON. Includes a large illustration of a beer bottle and text describing the brewery and concrete services.

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